

Hospital work orders sought

By AVI TEMKIN and JUDY SIEGEL

Jerusalem Post Reporters
Attorney-General Yosef Harish yesterday decided to ask the Labour Court to issue back-to-work orders to hospital administration and maintenance workers who were set to strike today in defiance of a restraining order issued by the court earlier this month.

If the workers carry out their threat, they will begin striking at 6 a.m. and government hospitals will receive only emergency cases until the end of the strike.

The 11,000 strikers at 26 general, psychiatric and geriatric hospitals around the country say that they will not return to work until they receive signed commitments for salary increases equalizing their wages with those of their counterparts in Kupat Holim Clalit hospitals.

They add that even a rebuke from President Herzog will not persuade them to return to the wards.

After meeting for three hours yesterday in Tel Aviv, they said it was unfair for the president to "preach" to people who take home NIS 500 a month. Last week, Herzog's severe criticism of 9,000 Kupat Holim Clalit hospital workers coaxed them back to work after a five-day strike.

Defiance of back-to-work orders would mean heavy fines for the strike leaders for every day of the walk-out.

Harish said he regarded the strike announcement by the hospital workers as contempt of court. He added that "he would not remain indifferent to this action."

Announcing the strike, the workers' leaders said the government had dragged its feet in the negotiations over their 14 demands. They added that the hospital workers were not prepared to go on working for "salaries of NIS 400 or NIS 500."

But Treasury representatives firmly denied that there had been any stalling or that salaries were as low as stated by the workers' representatives. Acting wage director Hillel Didi told reporters that the average wage of these workers was NIS 800, and that some 75 workers earned more than NIS 2,000.

Finance Minister Moshe Nissim stressed that the Treasury would not give in on the wage demands, which he said went beyond the collective wage accord.

Health Minister Shoshana Arbeli-Almosino yesterday raised the hospital crisis in the cabinet, which discussed it for nearly three hours.

Arbeli-Almosino's proposal to set up a public governmental committee to investigate a restructuring of the health system received en-



A medic treats an injured Border Policeman yesterday after the bomb attack at Damascus Gate. (Brian Hendler)

12 Border Police hurt in attack outside Old City

By ANDY COURT and BERNARD JOSEPHS
Jerusalem Post Reporters

A manhunt was on last night for the bomber who attacked a Border Police patrol in Jerusalem yesterday and wounded 17 people, including five passers-by.

The bomb — probably a fragmentation grenade — exploded near Damascus Gate just as one Border Police unit was taking over from another at 2 p.m.

One Border Police officer suffered medium injuries, but all the other casualties were reported to be lightly hurt. Six were still in Jerusalem's Bikur Holim and Hadassah Ein Kerem hospitals last night. The others had been discharged.

Eleven injured Border Policemen were identified last night: Eliezer Dadashov, 19; Mohammed Hafka, 37; Ilan Garbell, 19; Omri Ben-Rabia, 23; Ali Katish, 21; Yusuf Yusef, 20; Fuad Assad, 24; Wafa Harb, 22; Jamil Harb, 20; Nadho Mirza, 21; and Sleiman Dajesh, 19. All are from towns and villages in the North. The name of the 12th wounded man was not available last night.

The injured civilians were Ashraf Ashtamin, 22; Amin Sanduka, 33; Jit Nafez, 21; Mahmoud Hilwe, 23; and Nasser Hazwis, 19. All are resi-

dents of East Jerusalem or nearby villages.

The Border Police unit that was attacked is normally stationed in the North; it had been moved to Jerusalem recently when security measures in the capital were stepped up.

Within moments of the blast, security forces closed off Damascus Gate. Over 70 Arabs were arrested and taken in for questioning. By last night most of them had been released, said police spokesman Rafi Levy.

Eye-witnesses said that many more Arabs were stopped by Border Policemen and searched, while patrol combusted gardens and waste land for explosives.

Jerusalem Police Commander Yosef Yehudai said the Democratic Front for the Liberation of Palestine headed by Nayef Hawatmeh may have been behind the attack, which came on the 18th anniversary of its founding.

But a man saying he was from Fatah's crack Force 17 unit called a foreign news agency in Jerusalem and took responsibility for the blast. And PLO sources in Tunis also said their men had carried out the attack.

Mayor Teddy Kolek visited the scene, which was littered with blood-

Wait and see in Jerusalem

Jerusalem Post Staff

Defence Minister Rabin indicated yesterday that the Syrian move into Beirut didn't pose an immediate threat to Israel and that Israel was adopting a wait-and-see attitude.

Rabin said in a radio interview that it would have been "preferable" for the Syrians not to return to Beirut. But he added that Israel would consider what steps to take in the light of future developments.

"To the best of my knowledge we are not talking about significant reinforcements," Rabin said after briefing on the Lebanese situation.

"From Israel's point of view it would have been preferable for the Syrians not to return to Beirut, even in small numbers. We will see what develops and weigh our steps accordingly," he said.

Chief of General Staff Rav-Aluf Moshe Levy also said yesterday that the Syrian move into West Beirut did not endanger Israel; it may even make it more difficult for some organizations to launch attacks against this country. But this evaluation could change if the Syrians move south, he indicated.

Levy noted the Syrians have been very reluctant to move into West Beirut. "History probably proves they have good reasons for that," he said, alluding to the first time the Syrians entered the Lebanese capital in 1976. Damascus took the step that time to help the Christians, but later ended up switching sides in the complex conflict.

"If the Syrian action were a threat to Israel, I would not be visiting (Continued on Page 2, Col. 2)"

Warring militias ordered off streets

Syrians spreading through Beirut

Post Middle East staff and agencies

BEIRUT. — The Syrian Army entered the Lebanese capital at 5:15 p.m. yesterday to a tumultuous welcome at the gates of West Beirut from the Shi'ite Amal militia, one of two factions involved in the fighting that the Syrian troops came to end.

The 4,000-strong elite Syrian force regrouped in the south of the capital and took control of the international airport, closed since the beginning of the month.

Troops later moved into positions around the Arab League complex adjacent to the Shatilla refugee camp. They also established positions near the Bourj al-Barajneh camp, and at Amal's stronghold in the 42-storey Murr building.

Those areas saw savage street fighting during seven days of battles between Druse and Amal militiamen.

All militiamen were ordered off the streets as of 5:30 p.m., in a stiff warning issued by Ghazi Kanaan, the Syrian military intelligence chief in Lebanon.

Kanaan said Syrian forces would deal with any armed men as "the enemy," and would have "no mercy."

He also ordered militias to release captives and to evacuate offices and apartments that had been the scene of recent clashes.

"We are at the gates of Beirut. We will give no quarter to any armed man we meet on our route and the punishment will be severe," said Kanaan in a radio broadcast.

According to a news agency report from Beirut, Israeli aircraft circled overhead earlier yesterday as hundreds of Syrian tanks, troop transporters and trucks made their way through the Druse-controlled mountains to the city's southern entrance.

Kanaan said that the road linking Damascus to Beirut through the Druse mountain areas was now open with control posts protecting the supply line.

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Syrian troops were also to shortly open the road leading to South Lebanon, deploying as far as the Awali River, north of Sidon.

A first position had been set up on this road at Damour, 24 kilometres south of Beirut.

Witnesses said at least 60 Soviet-made amphibious tanks, 10 armoured troop carriers and 70 trucks drove in a swirl of diesel fumes from Khaldeh Junction, 10 kilometres south of Beirut.

Shi'ite women ululated and Amal fighters, totting automatic rifles,

waved V-for-victory signs as Syrian armoured personnel carriers and trucks loaded with heavily armed soldiers crossed the Khaldeh Road junction towards Beirut. Other Shi'ite civilians welcomed the Syrians by waving posters of Iran's Ayatollah Ruhollah Khomeini.

Some unarmed Amal militiamen jumped on the trucks and kissed the smiling soldiers.

"With our souls and blood, we serve you, Lebanon," chanted about 600 soldiers in 30 trucks as they roared along Beirut's seafont Corniche Boulevard.

"The plight of the Beirutis has come to an end," Kanaan said. Dressed in a dark blue suit, Kanaan drove in a 10-car motorcade to Beirut ahead of the force. He told reporters the Syrian force would patrol main roads and key junctions to "take control of security in West Beirut for good."

Braving occasional sniper fire, Palestinian refugees emerged from their shelters at Shatilla as the Syrian armour drove past a few hundred metres away, a Canadian surgeon there said.

"People are cautious but happy if the Syrian presence ends the siege... Cramps in their stomachs tell them they have to be happy at this moment," Chris Giannou, who works at Shatilla's makeshift hospital, told Reuters by two-way radio. (Continued on Back Page)

Assad back in business in Beirut

ANALYSIS

BENNY MORRIS

Syria's President Assad has a sense of history — and, perhaps, of humour. Yesterday's deployment of a Syrian armoured infantry brigade in Beirut marks yet another reversion to the 1982 pre-Lebanon War status quo, but with Assad's addition of ironic insult to injury.

For not only has Damascus reinstated its troops in the Lebanese capital, consolidating his role as the arbiter of Lebanon's destiny, but he has apparently used elements of the very same 85th Brigade expelled with the PLO from Beirut in 1982 by the IDF.

The slap in Israel's face is clear, and was certainly meant for all Arabs to see. Less than five years after the IDF invaded Lebanon, Syria is back not only in all its former positions but with its power and influence vastly enhanced. Assad is back in Beirut and back in parts of the southern Bekaa, and has complete control of the Tripoli area and its refugee camps.

Indeed, if news reports from Lebanon are to be believed, 85th

Brigade units are expected to deploy southwards to Sidon as well. Here they are taken to positions never before held by Syria, as the PLO in the late 1970s had kept the Syrians out of Sidon.

Israeli officials, saying that "1987 is not 1981," hope that Syria will now — like Israel before it — sink in the mire of Lebanese factionalism and political paradox.

It may, its troops in Beirut may get caught up and ground down while trying to keep Shi'ites and Palestinians, Shi'ites and Druse, and Moslems and Christians apart.

But it may not. It must be noted that Syria has held onto the bulk of the Bekaa for over a decade now without encountering anything like the resistance met by the IDF during its far briefer occupation of southern Lebanon. Perhaps the 85th Brigade,

as before 1982, will continue to enjoy a warm welcome by the Lebanese populace, President Amin Jemayel's *pro forma* objections (very mildly phrased indeed) notwithstanding.

It is difficult to imagine that anything less than a determined IDF attack or siege could again get the Syrians out of Beirut. The proximity of Khaldeh to the presidential palace at Ba'abda, outside Beirut, will assure Damascus of a firm hold over all the Lebanese, which Assad will probably not willingly relinquish. What this means exactly for Israeli security is as yet unclear, but as Defence Minister Rabin said yesterday, it is certainly not good for Israel.

Rabin spoke also of deciding on an appropriate reaction in due course. No doubt Damascus believes that Israel can do nothing. The experience of 1982-85 sufficed for the majority of Israelis: Israel will not quickly be drawn into a second (or third, if you count 1978's Operation Litani) Lebanese adventure, and

certainly not by the injection into Beirut (or even Sidon) of a Syrian brigade that embodies no direct threat to Israeli security.

The Syrian return to Beirut is just the latest of a series of major changes in Lebanon whose main contours are somewhat lost in the dust of battle that perennially envelops that wretched country. The past two years have also seen the massive return of PLO troops to southern Lebanon, principally to the refugee camps of Rashidiye (Tyre), Ein Hilwe (Sidon) and Borj al-Barajneh and Shatilla (Beirut).

The main Shi'ite militia, Amal, wary of a recurrence of Shi'ite subjugation by PLO arms, has battled for months to halt PLO resurgence, but without great success. Slowly, steadily, the Palestinians, supported by the Druse and the Christian Phalange (who both fear Amal domination), seem to be returning to their pre-1982 positions.

Israel, in tacit alliance with the Shi'ites (who hold Israeli prisoners), (Continued on Back Page)

Dulzin resists call to resign

By PINHAS LANDAU
Post Finance Reporter

As tension mounted last night with the opening session of the Jewish Agency board of governors meeting, chairman Arye Dulzin said he was in a "fighting mood" and determined to resist moves to unseat him.

As expected, the majority of the Diaspora leaders who spoke last night demanded Dulzin's resignation, but the Israelis stood behind him.

Dulzin was in a fiery mood. "I am not on trial," he declared. "It is impossible to attribute the recent scandal at Bank Leumi to Dulzin."

He reiterated that the Jewish Colonial Trust, the parent of Bank Leumi, belongs to the World Zionist Organization and not to the Jewish Agency.

"The \$5 million severance payment and huge pension awarded ex Leumi chairman Ernest Japhet was a scandal," Dulzin said. But, he said, "I will not be a scapegoat. In the last few days there has been a hush atmosphere against me."

The stormy meeting broke at 10:30 p.m. for a recess, but did not reconvene. However, the WZO members continued to deliberate late into the night, leaving the issue of Dulzin's position open until the resumption of the board meeting, scheduled for tomorrow.

Before the meeting began, Dulzin's future appeared to hang in the balance as Jewish leaders from around the world gathered in Jeru-

'Solution to emigre dropouts in U.S. hands'

By ROBERT ROSENBERG
Jerusalem Post Reporter

The government, led by Acting Premier Shimon Peres, yesterday implied that the solution to the 90 per cent dropout rate among Soviet Jewish emigrés reaching Vienna is in Washington's hands, and called on the U.S. to stop granting refugee status to Jews who leave the USSR.

By doing so, the government is heading for a fight with American Jewry, American Jewish sources here predicted.

On the eve of his current U.S. trip, Prime Minister Shamir vowed to put the refugee status question on top of the Israeli agenda.

In Los Angeles at the weekend, he said that Secretary of State George Schultz had told him that U.S. reaction to the proposal would depend on the reaction of American Jewish organizations.

An American Jewish community source in Jerusalem expressed surprise that Peres put forward the motion that led to the unanimous government declaration, "because we know that Peres did not make such demands of Washington over the last two years."

Acting cabinet secretary Michael Nir, reading a statement at the end of yesterday's cabinet meeting, said that "since Israel was founded and

its gates opened to Jews, there's no meaning to the term Jewish refugee."

"There's nothing in this to prevent any person from choosing his place of residence," continued Nir. "The movement of Soviet Jews wishing to come to Israel is a Zionist national movement and should not be turned into an emigration movement alone."

Refugee status makes getting a visa to the U.S. relatively easy for emigrés, while Israeli citizens must apply through embassies or consulates. Moscow has complained in the past that it is being "cheated" by Soviet Jewish emigrés who leave the Soviet Union on Israeli visas but choose to settle in other countries.

Some sources yesterday speculated that the government declaration was part of delicate maneuvers between Jerusalem and Moscow over their bilateral relations and the Soviet Jewish issue.

According to Harry Wall, head of B'nai B'rith's Anti-Defamation League office in Jerusalem, "changing the status of Soviet Jews is viewed by leading elements of American Jewry as encroachment upon the principle of freedom of choice."

"It will be hard to persuade American Jews to see Israel's point of (Continued on Page 2, Col. 5)"

French seize four leading terrorists

By MICHEL ZLOTOWSKI
and Agencies

PARIS. — Police swept onto an isolated farm near Orleans and arrested four of France's most wanted terrorist suspects without firing a shot, the Interior Ministry said yesterday.

Arrested on Saturday night in what President François Mitterrand called "a remarkable success" were Jean-Marc Rouillan, 34, his companion Nathalie Menigon, 29, Joelle Aubron, 27, and Georges Cipriani, 35. All are considered "historic leaders" of the extreme left terrorist group Direct Action.

The group is believed to have links with other terrorist organizations in West Germany, Belgium and Italy.

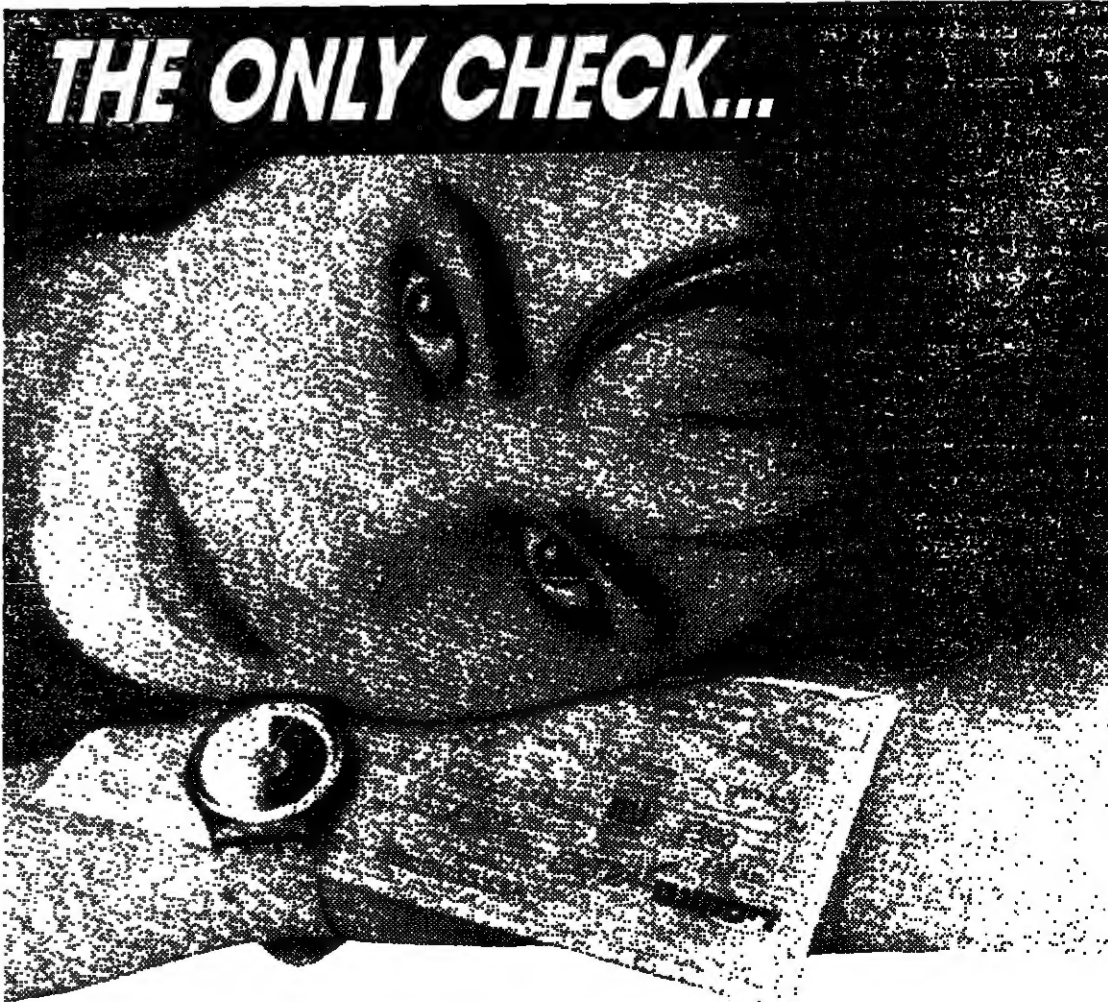
ABDALLAH TRIAL Page 4

Rouillan and Menigon, known to their neighbours as "Robert" and "Nadine," apparently led a very quiet life for the last 3½ years in a six-room farm rented to them by a Renault automobile company executive.

Following the murder of George Besse, Renault's chairman of the board, by two women last November, the police issued a poster bearing the pictures of Menigon and Aubron, believed to be the killers.

Direct Action claimed responsibility for the assassination in a pamphlet found near Besse's body and again, a few days ago, in a 26-page typed declaration sent to a news agency. The French authorities had offered a one-million franc (\$170,000) reward for information leading to the arrest of the suspects.

Sought by the police for some of the 80 terrorist attacks (including two murders) bearing the Direct (Continued on Page 3)



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FOREIGN AND REGIONAL NEWS

Irangate papers shredded, North's secretary reveals

WASHINGTON (Reuters). — The personal secretary of Lt.-Col. Oliver North has been granted immunity from prosecution in the Iran arms investigation and has told investigators she helped North shred White House documents last November. The Washington Post reported yesterday.

The Post said the secretary, Fawn Hall, had told independent Iran investigation counsel Lawrence Walsh she helped North destroy key memos and computer messages in his office on November 21.

On November 25, Attorney-General Edwin Meese revealed that some money from the Iran arms sales had been diverted to anti-government rebels in Nicaragua.

At the same time, Meese announced that North had been fired from his position at the National Security Council (NSC) and that North's NSC boss, Admiral John Poindexter, had resigned.

The Post said the secretary had helped investigators reconstitute the destroyed messages by calling them up from the White House electronic archives.

It quoted one government source as saying the retrieval of these messages had established what it called "a clear case of obstruction of justice."

North, who was working for the NSC on a number of top-secret international projects, destroyed a mammoth stack of documents from his safe and drawers, the Post said, quoting unnamed government sources.

Jerusalem Post Correspondent David Horowitz reports from London:

Two key middlemen in the Irangate affair, Saudi billionaire Adnan Khashoggi and his Iranian business partner Manucher Ghorbanifar, said America's efforts to establish a dialogue with moderate elements in the Iranian regime became "a tragedy" because the CIA and the National Security Council appeared to be quite unaware that both were attempting to sell arms to Tehran.

The two men made the charge in a long and detailed interview published in the London Observer yesterday. They listed the reasons for the failure of U.S.-Iranian con-

tacts as follows, laying all blame squarely at the Americans' door:

- The last straw that convinced the Iranians to break off contacts came when they realized that the CIA was offering arms at a fifth of the price of those being sold to them by North.
- The Iranian contacts were told by the Americans that profits from the arms sales would go to the pro-Western faction within the Khomeini regime, but North was apparently trying to divert all the money he could to the Nicaraguan Contras.
- Inter-departmental rivalry for the prestige of obtaining the release of hostages — particularly CIA man William Buckley, who later died under torture — outweighed a golden opportunity to support Iranian moderates, who would have tried to halt the spread of the Islamic revolution through terrorism.
- Ghorbanifar and Khashoggi, in the interview, went over much of the ground that has been covered in previous newspaper reports, detailing the events at the start of U.S.-Iranian negotiations.

Pakistan leader sees 'miracle' Afghan solution

Zia again sends his FM to Moscow

ISLAMABAD. — Pakistan, under pressure from several quarters, yesterday sent Foreign Minister Sahabzada Yaqub Khan on his second visit to Moscow this month to seek an Afghan peace settlement.

Yaqub Khan said before leaving that his meeting today with his Soviet counterpart, Eduard Shevardnadze, would focus on a timetable for Moscow's troop pullout from Afghanistan.

The visit continues a flurry of diplomatic activity aimed at ending the seven-year conflict.

The UN-sponsored indirect talks between Pakistan and Afghanistan resume in Geneva on Wednesday, and Yaqub Khan said he hoped his talks in Moscow would assist the "very delicate and crucial stage" that the Geneva peace process had now reached.

Pakistan has welcomed recent peace signals from Moscow, despite

scepticism expressed by the U.S., Islamabad's ally and the main backer of the Afghan guerrillas fighting the Soviet-backed government in Kabul.

Pakistan President Mohammad Zia ul-Haq said last month a Soviet key to the Afghan problem was now "close to the lock," and he saw divinely created avenues for a "miracle" settlement.

His optimism was not shared by the U.S. Ambassador in Pakistan, who said Washington was more sceptical than Islamabad about how soon Soviet troops would leave.

Last week, Ambassador Deane Hinton also expressed renewed fears about Pakistan's nuclear programme. He said indications that Islamabad might be seeking a nuclear weapons capability put Washington's economic and military aid in question. Pakistan has rejected the

charge that it was making nuclear weapons.

Although a Foreign Ministry spokesman said he did not see Hinton's comments on nuclear arms as linked to the Geneva talks, some local commentators interpreted it as pressure on Islamabad against being soft on Afghanistan.

"The message is clear: if Pakistan dares to defy the U.S. diktat on its dealings with Kabul and Moscow, Washington will use the supposed disagreement over the nuclear issue to strangle it economically," an article in the Peshawar daily The Frontier Post said yesterday.

Zia's government has lately also come under renewed opposition pressure to extricate Pakistan quickly from the Afghan problem, after a series of Afghan-related bomb explosions in the North-West Frontier Province and the spread of illegal arms.

Beirut love songs wage battle on radio

By MAURICE KALDAWI
BEIRUT (Reuters). — "Beirut, we come with a smile on our faces," was a frequent refrain on Druze radio in the past five days as Druze-leftist forces assaulted Shi'ite Moslem Amal militia strongholds.

"Beirut, our love, what has happened? Beirut, O Beirut, please do not succumb," Amal radio sang in reply.

The street battles in which at least 150 people were killed were accompanied by an intense propaganda war on Beirut's dozen radio and television stations, most of which are militia-linked.

Playing emotional songs was only one of the gambits tried on the airways in a contest for hearts and minds.

When Education Minister Selim

How protested at "gunmen running amok on the streets," Palestinian radios slightly edited his remarks to make it appear that he was criticizing the other side.

For civilians covering in blacked-out shelters, the radios are sometimes the only way to interpret the explosions outside, to judge when to dash for the bakery, to discover if relatives are safe or even to call the fire brigade.

"Hassan Mroweh wishes to inquire about his sister Mona Mroweh. She was heading for Baalbek, and he has not heard from her since yesterday," ran a typical message.

Twirling the dial to catch different stations, civilians hear successive newscasts, each introduced by a distinctive jingle and interspersed with bright commercials for carpets,

Irish butter or the lottery.

Militiamen taking breaks between flareups prefer all-music FM stations — their orders come by walkie-talkie.

Radios have interrupted programmes to declare cease-fires or to say a joint security force has "pacified" a flashpoint. But for people on the spot, such announcements can seem unreal.

At one point, close-range explosions and heavy firing were shaking the Reuter office while radios reported that a peace-keeping force had just deployed in the streets outside.

The Sunni Moslem "Voice of the Homeland" has maintained more even-handed coverage than most. Between newscasts it has played classical music in mourning for victims of the violence.

Foreign hostages in Lebanon are 'apparently' safe

AMMAN (AP). — Foreign hostages held by Shi'ite Moslem extremists in Lebanon are apparently safe despite the recent rage of battles between Moslem militias in West Beirut, an

American envoy who returned from Beirut said yesterday. Mohammed Mehdi, secretary-general of the New York-based National Council on Islamic Affairs, said a reliable source

contacted by phone in Beirut "assured us that to the best of his knowledge, they (the hostages) are in good health and that the war had not hurt any one of the hostages."

NY Times now says: Target was Gaddafi

Labour want Thatcher statement on Libya raids

LONDON. — Members of Britain's opposition Labour Party called on Prime Minister Margaret Thatcher yesterday to make a statement on claims that the object of U.S. air raids on Tripoli last April was to kill Libyan leader Muammar Gaddafi.

In an article in yesterday's New York Times Magazine, reporter Seymour Hersh said the U.S. set out deliberately to kill Gaddafi in the bombing raids, not to strike at terrorist and military facilities as stated by Washington.

The Labour politicians said that if the article were true, Thatcher must have been aware that Gaddafi was a target for assassination and that his entire family was in peril.

Hersh said his sources told him that nine U.S. F-111 bombers based in Suffolk, eastern England, joined the main U.S. strike force with specific orders to bomb only Gaddafi and his family.

Labour MP Martin Flannery said that if this were true it was not unreasonable to assume the British government was aware there was a grave danger of the Gaddafi family being killed.

"This is utterly appalling and Mrs. Thatcher owes it to the House (of Commons) to make an immediate and detailed statement as to whether she was privy to the danger which the entire Gaddafi family were in. After all, Gaddafi's 15-month-old adopted daughter was killed in this raid."

Tam Dalyell, another Labour MP has written to the Prime Minister demanding a statement. He said that if Hersh's report is correct, "the British Government, which was party to the sending of the F-111s, has an absolute obligation to make clear its state of knowledge that Gaddafi was a target for assassination."

The New York Times report noted that President Reagan's statement after the raids contained several paragraphs to deal with the eventuality that Gaddafi had been killed, emphasizing that it was not a crime or act of vengeance, but an effort to prevent fresh terrorist acts. The report mentions that former chairman of the National Security Council (NSC) Vice-Admiral John Poindexter, and his aide, Lieutenant-Colonel Oliver North, were involved in the assassination plan.

Poindexter resigned and North was sacked shortly after the sale of U.S. arms to Iran, in which they played a key role, became public last November. (Reuters, AP)



Recent file pictures of four leaders of the Direct Action terrorists, from top left clockwise: Jean-Marc Rouillan, 34, Nathalie Menigon, 29, Joelle Aubron, 27, and Georges Cipriani, 35, who were arrested on Saturday south of Paris. (AFP telephoto)

LEADING TERRORISTS

(Continued from Page One)

Action stamp since 1979, Rouillan and Menigon were given away by a minor detail according to reliable sources: the police were told that "the woman living in the farm breeds rats." Police knew that Menigon kept hamsters as a hobby. The farm was put under close guard.

Rouillan, who frequently kept watch at the farm with binoculars, often escaped police raids in the past years. He apparently did not suspect that the farm had been under surveillance for some time. Access to the farm was made difficult by the fact that it was at the end of a dirt track, by a narrow canal, outside the village of Vitry-aux-Loges, in the Sologne hunting resort.

When members of the surveillance team spotted Aubron and Cipriani, Rouillan's bodyguard, entering the farm, Paris issued the order to arrest the four.

The raid was carried out at 8:55 p.m. Saturday by several dozen men from the elite Raid police unit, which stands for Research, Assistance, Intervention, Dissuasion. The suspects were armed, but did not use their weapons, police said.

Police said they also seized a stockpile of arms, explosives, money and incriminating documents, some of which linked the group to the Besse murder: the murdered man's briefcase and papers it was known to contain on the day of his death.

New trials in Argentina

BUENOS AIRES (Reuters). — Argentine courts have ordered trials for at least 100 military officers accused of human rights abuses, narrowly beating a midnight deadline to end new trials for such offences committed under military rule.

The officers are charged with murder, torture and other crimes during the eight-year military regime that ended in 1983.

Courts around the country have also ordered trials for about 50 police officers and civilians for rights abuses, local news agencies reported yesterday.

Among the military officers to be tried is former president Leopoldo Galtieri, who launched Argentina's ill-fated invasion of the disputed Falkland Islands in 1982.

The Federal Appeals Court in Parana, 530 kilometres north of Buenos Aires, ordered that Galtieri and at least five others officers be tried for their alleged role in atrocities committed while Galtieri was commander of the Second Army Corps in the late 1970s.

Galtieri was acquitted in 1985 by a Buenos Aires appeals court on charges of human rights violations dating from his seven-month presidency.

President Raul Alfonsín proposed the deadline on prosecutions — known as the "full stop" law — in

December as a way of lifting the "unending suspicion" hanging over the armed forces since they handed power to civilians.

More than 9,000 people disappeared at the hands of security forces during the military's campaign against dissidents, according to an inquiry board set up by Alfonsín soon after he became president.

Argentina's president during the height of the military repression, retired Gen. Jorge Videla, has also been called to trial, the local news agency Noticias Argentinas reported.

A court in La Plata, outside Buenos Aires, ordered that he be tried for his alleged role in rights abuses in Buenos Aires Province.



Pop artist Andy Warhol died in his sleep of a heart attack at the New York University Hospital yesterday. He was 59. (Reuters)

Chronology of Syrian army in Lebanon

BEIRUT (Reuters). — The following is a chronology of Syrian intervention in Lebanon since Civil War erupted in 1975:

MAY-JUNE 1976 — 6,000 Syrian troops enter country to save Christian militias from defeat by an alliance of Moslem-leftist militias and the PLO.

OCT-NOV 1976 — Syria, Saudi Arabia and Egypt, at a Riyadh summit, set up a 30,000-strong "Arab Deterrent Force" (ADF). The main Syrian force deploys throughout Lebanon except the south.

JULY-OCT 1978 — Growing tension between the force and Christian militias leads to direct clashes. Syrian shelling of Christian East Beirut kills hundreds.

APRIL 1979 — ADF becomes all-Syrian after last of other Arab contingents withdraw.

JUNE 1982 — Israeli invasion. Syrian forces retreat from Shouf and Aley hills and from southern Bekaa valley. Israel shoots down at least 80 Syrian planes.

AUG 1982 — After U.S. mediation, Israel allows departure of about 4,000 Syrian ADF troops besieged with the PLO in Beirut.

MAY 17, 1983 — Christian-dominated Lebanese government initiates peace accord with Israel for Israeli withdrawal. Israel says agreement depends on Syria withdrawal from east and north Lebanon. Syria musters Moslem militias against the accord and against U.S.-led multinational force in Beirut.

OCT-NOV 1983 — Truck bombs destroy U.S. and French military headquarters in Beirut, killing 300 servicemen. Two U.S. planes shot down in raid on Syrian positions in hills near Beirut.

SEPT-DEC 1983 — Syrian-backed PLO groups drive Arafat loyalists out of North and East Lebanon.

FEB 1984 — Syrian-backed militias drive Christian-led army troops from West Beirut. Multinational force withdraws. President Amin Jemayel scraps May 17 accord with Israel.

MAY-JUNE 1985 — After signs of PLO resurgence in Lebanon, Syrian-backed Shi'ite Amal militia attacks Palestinian refugee camps in Beirut.

JULY 1985 — Following Israel's pullback from most of South Lebanon, Syria withdraws 10,000 men from Bekaa. Some 25,000 troops remain in north and east Lebanon.

SEPT-OCT 1985 — Syrian-backed militias assault Moslem zealots previously allied to Arafat in Tripoli. Syria negotiates ceasefire and deploys troops there.

JULY 1986 — After more Amal-Palestinian fighting and militia anarchy in West Beirut, Damascus sends in 400 Syrian "military observers," troops and plain-clothes agents to back Lebanese police and army patrols.

FEB 1987 — week-long fighting between a Druze-Communist alliance and Amal, already besieging Palestinian camps for a third time, kills at least 200 people and prompts Damascus to reinforce its troops in West Beirut.

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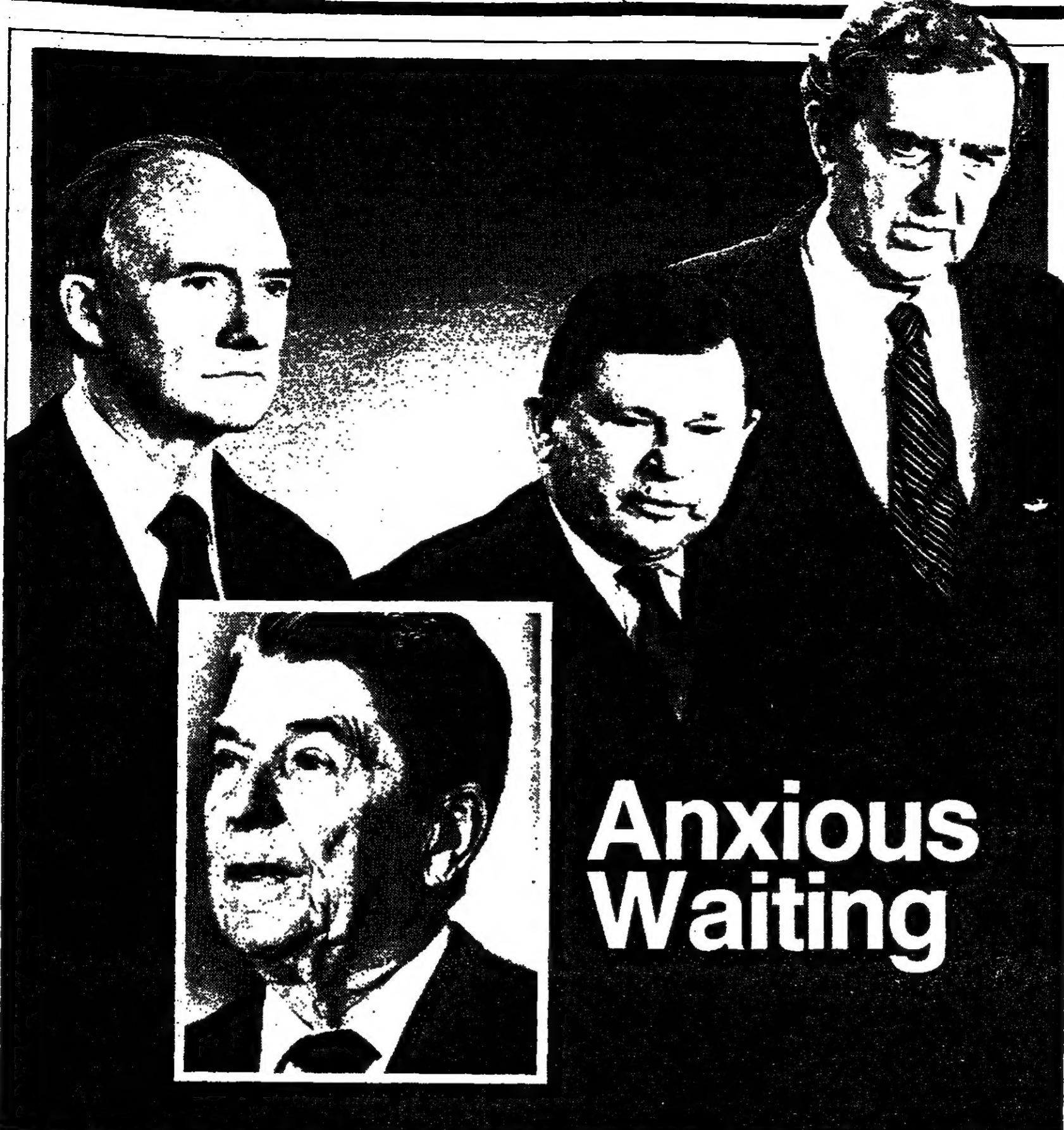
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Anxious Waiting

Members of the panel investigating the Iran arms deal, from left, Brent Scowcroft, John G. Tower and Edmund S. Muskie; President Reagan at a convention of conservative political action groups in Washington Friday (inset).

A Gloomy White House Braces for the Judgments In Tower Panel's Report

By STEVEN V. ROBERTS

WASHINGTON — As the dispiriting distractions of the Iran-contra affair continued to swirl around the White House last week, President Reagan and his aides mounted a determined effort to demonstrate that they were still in charge. But all efforts to get on with the normal business of government have been clouded by the knowledge that the special board reviewing the Iran-contra affair is likely to deliver a scathing critique of the Administration's performance when it reports Thursday.

The mood of apprehension was reflected by one White House official who said: "Your whole day, your whole week, your whole month, is taken up dealing with this issue. It scares the hell out of me, just getting up in the morning."

Seeking to show that the Administration was still able to make public policy, three Cabinet officers were ushered into the White House briefing room Tuesday to promote Mr. Reagan's proposals for enhancing American competitiveness abroad. They joined a parade of officials who have been talking about such topics as welfare reform, catastrophic health care, a permanent ban on abortion financing, and "Star Wars," Mr. Reagan's plan for space-based missile defenses.

The President himself, who had been inaccessible to reporters for weeks, was pronounced fully recovered from his prostate operation. Immediately stepping up his schedule, he made his first speech outside the White House this year, telling a convention of conservative activists that, as an old actor, he was "saving the best stuff for the last act." He also said he intends to start traveling around the country again, talking up his legislative program.

But as the President tried to revive an Administration that seemed in dire need of a life-support system, an array of forces were threatening to pull the plug. The Iran arms deal, and the subsequent diversion of profits to the Nicaraguan rebels, or contras, simply refused to fade away. From his hospital bed, where he is being treated for "clinical depression" after recovering from what the police have said was a suicide attempt, Robert C. McFarlane, the former national security advisor, again spoke with the special review board headed by former Senator John Tower, the Texas Republican. Mr. McFarlane said he had participated in an attempt last November to conceal the President's role in the affair, but Marlin Fitzwater, the White House spokesman, said Mr. Reagan "was not aware" of any "coverup" of his role.

Within the Administration, contending forces seemed seriously divided over many policies, as determined conservatives pushed for ideological purity, while a more moderate faction argued that the Administration had to produce practical alternatives or risk becoming irrelevant to the deci-

sion-making process. As an aide to House Republican leaders described the White House tactics: "They don't want to be standing on the sidelines, saying no. They want to be an active player." Conservatives appeared to be getting their way on foreign policy and national security, as the Administration propounded what was called a broad interpretation of the 1972 Antiballistic Missile Treaty with the Soviet Union. The interpretation would permit extensive testing and development of Mr. Reagan's Strategic Defense Initiative.

But the more moderate factions seemed to be dominating domestic policy, particularly on the trade issue and the new catch-word, "competitiveness." Last year, the Administration figured it could simply veto any trade measure Congress might pass. But with the Democrats in control now, the Administration "is seeking cooperation with the Congress," Treasury Secretary James A. Baker 3d said in presenting the trade package. "It's no secret that we've changed our strategy," he added. "There was an election last year."

Regan's Uncertain Future

Accordingly, the Administration's proposed legislation included close to \$1.8 billion for retraining displaced workers and improving the job skills of low-income youths. And the President, in explaining his proposals, quoted the new Speaker of the House, Jim Wright, the Texas Democrat. The Administration's ability to become an active player was undermined, however, by vacancies in several important White House jobs as well as by persistent efforts to depose Donald T. Regan, the chief of staff, led by the President's wife, Nancy, and some of his closest friends. The President stirred up new questions about his aide's staying-power when he said last week that

Mr. Regan's future was "up to him." Also illustrating the frayed nerves were the stories from Reagan intimates and officials that the chief of staff and the First Lady were feuding with each other and barely on speaking terms.

Administration supporters worried that, with less than two years left in office, Mr. Reagan, like some of his predecessors, would have trouble attracting top-flight talent to assist him. Stuart K. Spencer, an old political ally of the President, turned down a senior White House post. "There's just a feeling that the thing is adrift over there," said Senator David L. Boren, the Oklahoma Democrat who heads the Senate Intelligence Committee. "No one is giving the President good advice on substance or politics."

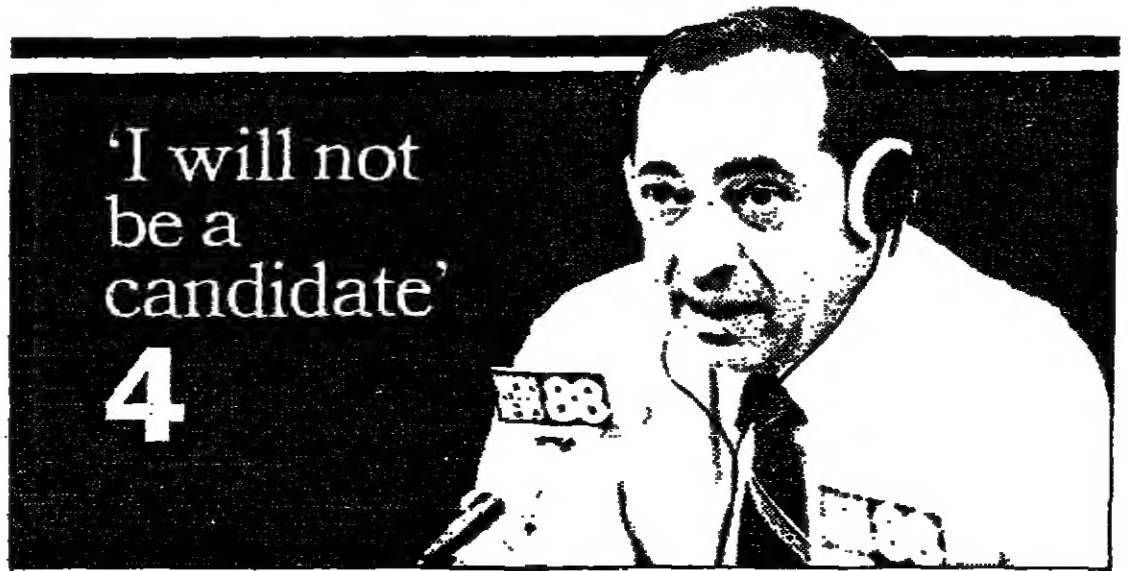
Democratic leaders, meanwhile, were trying to strike a balance between confrontation and cooperation. They sense the presence of a "big vacuum" in Washington, as a Democratic aide put it, and are eager to fill it with legislative activity that could serve them well in the 1988 election.

Questions for Gates

Democrats say they also are looking ahead to the "post-Regan era," and trying to block the President from implanting his ideas so firmly that they would be difficult for a potential Democratic President to uproot two years from now. Perhaps the best example of this struggle is the fight over "Star Wars," which the Democrats want to restrict to the laboratory, and some Republicans want to deploy as soon as possible.

At the same time, many issues facing the country, particularly the budget deficit, appear to have no palatable solution, and any party that takes the lead in trying to solve them runs a grave risk. "The real danger for us," the Democratic aide added, "is to be saddled with total responsibility. We need to keep the finger pointed at the White House. It's up to them to lead. We still want to be underdogs in 1988."

What neither party can avoid these days is the seemingly endless flow of revelations in the Iran-contra affair. Last week, Senator Boren's committee raised the issue again as it examined the record of Robert M. Gates, the Deputy Director of Central Intelligence, the President's nominee to succeed William J. Casey as Director. And the White House was besieged with questions about whether Mr. Regan had changed his account of the affair. Throughout the capital, all other subjects continued to take second place.



'I will not be a candidate'

4

Window Into the Gulag

Where Cold and Food Are the Tools of Torture

By BILL KELLER

MOSCOW — MORE gaunt men with prison haircuts went home last week from Soviet penal colonies. The Jewish dissident Iosif Z. Begun was freed and Anatoly Koryagin, a psychiatrist locked up for exposing the abuse of Soviet mental hospitals, was reunited with his wife. By the end of the week, Soviet authorities said the number of prisoners pardoned by Government decree had passed 150. In the process, the West was given 150 new windows into the archipelago of camps and prisons that Solzhenitsyn called the gulag, that inmates call "the zone."

Sergei Grigoryants, one of the recently freed prisoners, sat in his Moscow apartment and talked about life and death in the zone. Mr. Grigoryants, a literary critic by profession, spent five years in labor camps and prison in the late 1970's. Later he edited a clandestine dissident journal. He was a close friend of men who chronicled two separate eras of prison camp horrors — Varlam Shalamov, whose "Kolyma Tales" described Stalin's camps, and Anatoly Marchenko, whose 1967 book, "My Testament," described the subsequent gulag generation.

In 1983 Mr. Grigoryants' journalism earned him a sentence of seven years imprisonment and three years of internal exile.

He was freed Feb. 5 from Chistopol prison, in the Tatar Republic city of Kazan, 450 miles east of Moscow, where he shared the second-floor political cellblock with Mr. Begun and Mr. Koryagin.

Mr. Grigoryants said that "the zone has proven immune to reform."

"Often the Government issues a decree, and it's quite the opposite in the camp. One small example. At the end of last year, the Ministry of Internal Affairs decreed an increase in money we could spend on things in the prison store. Before, it was 3 rubles a month, now it is 5. The administration at Chistopol reacted in the following way. I and many others were refused the right to buy things at all. Second, sweets that before cost 1 ruble a kilogram in the prison shop, now are wrapped in paper and sold for 1 ruble and half. Soap cost 16 kopeks before; they raised it to 40. The practical result was that you could buy less than before."

"The instructions from Moscow may have changed, but not the situation in reality, because the people are the same. There are families in every camp who have worked there as guards for generations. Grandfather worked in the camps, father worked in the camps, and now the son works in the camps. It's very difficult to change such a system."

Prisoners live with biting hunger, intense isolation, occasional beatings, petty indignities. And sometimes death. Mr. Grigoryants watched two fellow political prisoners die last year at Chistopol. Mark Morozov, a member of an illegal independent trade union, lay unconscious in his cell for two days last August before prison officials discovered he had died of an overdose of pills. Mr. Grigoryants said, Mr. Marchenko died in December following a hunger strike, under circumstances that have never been fully explained.

At Chistopol the men live three or four to a cement-floored cell with iron louvers blocking most of the daylight. A lamp burns around the clock, painfully dim by day, annoyingly bright when prisoners are trying to sleep.

The "zeks" — slang for prisoners — are roused at 5 A.M. for a breakfast of watery fish soup and brown bread, then put to work in their cells. At Chistopol the political prisoners — Grigoryants the literary critic, Koryagin the psychiatrist, Begun the engineer — worked in their cells hand-knitting string bags for storing vegetables. Like most things in the Soviet economy, this work has an official quota, one bag per hour.

"In the morning we are usually taken for a walk. It takes place in a so-called courtyard, but it is really a cell with iron bars instead of a ceiling. For half an hour you have natural light, theoretically. But it's not always so, because sometimes you are taken out at 7 A.M. when it is still dark. In winter, you don't see daylight even for a minute."

"You've got to have some fresh air, because the air in the cell smells from the toilet, and it is stuffy. People who think more of their health try to jog in this enclosure. But some people are exhausted to such an extent that they just don't go."

The main meal, at 10:30 A.M., was soup, "just water with a little fat added instead of meat, and some oil." Dinner was porridge. Those, like Mr. Begun, who were put on a punishment regime had their rations reduced to 900 calories a day.

In Chistopol people are tormented by lack of food. The isolation cell is often used, where you get food only every other day.

"In the camps, they use torture by cold. They use it quite deliberately. One year at Camp 37 near Perm, it snowed until the second of June. The heating was switched off on the third of May. It's an old, semidecayed log house, and the wind blows through it. Warm clothes are not permitted, just the cotton linens."

"By law the cells must be 18 degrees centigrade (64.4 degrees Fahrenheit). Before measuring the temperature, they would bring an electric heater into the corridor. The cell door is opened, a certain amount of warm air comes in, and the temperature is measured. Then the door is closed, the heater is taken away, and in half an hour the temperature is the same as before."

Visits from wives or parents are guaranteed by law, but in practice they are often canceled for infractions of rules. Mr. Grigoryants had not seen his wife for two years, and their letters were often intercepted by prison censors.

In his two weeks at home, Mr. Grigoryants has talked to many of the returned prisoners. He finds them sharply divided. Many are more than ever eager to leave the country, but others, including himself, are intrigued by the signs of change and sympathetic to the call by the Soviet leader, Mikhail S. Gorbachev, for opening the society to self-criticism and unleashing individual initiative.

"Gorbachev is determined," Mr. Grigoryants said, "but that doesn't mean he will be successful. The resistance is enormous. You know, if this were a democracy, I'm not so sure Gorbachev would be elected."

In no small part, Mr. Grigoryants believes, the Soviet prison system has made Mr. Gorbachev's task more difficult.

"For the past 50 years, something like 500,000 prisoners have been released annually into the society's life, and it has had a terrible, corrupting influence on the entire country. The Soviet Union now is Australia 150 years ago."

"You don't see it in the big cities, because the people released from camps can't get permission to live there. But in the provinces, in the little towns and work settlements, people with camp experience define the way of life," he said. "There is enormous cynicism, a willingness to do anything to get by, narrow-mindedness, because everything in the camps is oriented to the short term. And, of course, brutality."



Syoma/Fredrickson: Hulton
Sergei Grigoryants with his daughter after his release.

The World

'Boss' Haughey Gets New Chance To Revive Ireland

Irish voters last week gave a veteran politician, former Prime Minister Charles J. Haughey, another turn at trying to pull the country out of its economic slough. Mr. Haughey, also known as "Boss," thrashed the Fine Gael party of Prime Minister Garret FitzGerald, who called for the elections last month after his coalition Government collapsed.

Mr. Haughey's Fianna Fail party won 81 of the 166 parliamentary seats, three short of a majority. He is expected to form a Government with the support of independents in Parliament. But his failure to win an absolute majority stoked speculation that he might be forced to call a new election. The last time he was Prime Minister his Government lasted for only 10 months in 1982.

Dr. FitzGerald's party won only 51 seats; the newly formed Progressive Democrats won 14 seats. Sinn Féin, the political wing of the outlawed Irish Republican Army, which had decided for the first time to participate in the elections, was shut out.

The campaign was fought on economic issues in the country of 3.6 million people with unemployment at nearly 19 percent, relatively high government spending on social programs and one of the highest tax rates in Europe.

Contras Fighting Each Other Again

The leaders of the Nicaraguan rebels kept up the fight last week — with each other.

The common enemy, the Sandinista Government in Managua, seemed remote as the leaders of the rebels, known as contras, defended and attacked positions in Miami and Washington. The battle over who should control the contras' political and military organizations comes at a time when there seems to be a decline in Congressional support for new aid for the rebels.

The principal rivals last week were Adolfo Calero and Arturo Cruz. Mr. Calero is a conservative businessman who has never supported the Sandinistas. He has been a leader of the rebels' American-backed umbrella political organization, the United Nicaraguan Opposition, and head of the main rebel army, a 10,000 — 12,000-man force in Honduras.

Mr. Cruz is a banker who was a member of the Sandinista junta and Ambassador to Washington until 1981, when he quit in policy disputes

with the Sandinistas. Mr. Cruz, and another businessman and former junta member, Alfonso Robelo, have been trying to oust Mr. Calero from the leadership.

The Reagan Administration has favored moves to improve the image of the contras in Congress by reducing the power of conservatives like Mr. Calero who insist the Sandinistas must be overthrown by force. Last week, he gave up his position as a political leader, but not as head of the rebel army in Honduras, the Nicaraguan Democratic Force.

Meanwhile, the Senate Foreign Relations Committee voted by an 11-to-9 margin against providing any more aid to the rebels. Such a bill, if approved, was certain to be vetoed by President Reagan. The Administration's request to Congress for an additional \$100 million for the contras has been delayed until September, largely because of opposition stemming from the Iran arms scandal and questions about possibly illegal transfers of funds to the contras.

Shamir, Reagan Stress the Up Side

American and Israeli officials did their best last week to ease strains prompted by the Iran-contra affair. President Reagan met with Prime Minister Yitzhak Shamir and praised "the close and special relations" with Israel, "a major non-NATO ally."

Officials on both sides said that Israel's go-between role in the Iran weapons deals had not been allowed to damage the relationship.

Mr. Shamir and Secretary of State George P. Shultz disagreed on another issue, however, a conference to revive the moribund Arab-Israeli peace process. Mr. Shultz said the Administration was willing, albeit reluctant, to accept a Soviet role in such a conference. "It led immediately to direct negotiations among Israel, Jordan and the Palestinians," Mr. Shamir rejected the idea as "a Soviet-inspired notion supported by radical Arab nations."

On another matter that has marred the closeness between the American and Israeli allies, Federal prosecutors accused Jonathan Jay Pollard, an American who has admitted he provided secrets to Israel, of severely damaging national security — as heavily "as in any reported case involving espionage on behalf of any foreign nation." Sentencing of Mr. Pollard, a former civilian intelligence analyst with the Navy, is scheduled early next month.

James F. Clarity,
Milt Freudenheim
and Katherine Roberts

The P.L.O. Leader Pursues Money and Unity



Palestinians in the Gaza Strip, holding a photograph of P.L.O. leader Yasser Arafat, demonstrated last week against Amal militiamen who besieged Palestinian refugee districts in Lebanon.

The re-establishment of an independent political and military base in the Arab world was of prime strategic importance to the P.L.O.'s survival, even more than having forces near its ultimate enemy, Israel. But the return of the armed Palestinian, who had made a state within a state until Israel expelled them from southern Lebanon and Beirut, in 1982, was a threat to the growing strength of the Shiite Amal militia and, even more importantly, to Syria, which simultaneously supports the Palestinians and fears they may hinder Syrian domination of Lebanon.

The Beirut refugee districts had been besieged since last fall, but Amal could not defeat the entrenched, experienced Palestinians despite tank and artillery pounding in a siege that forced the camp dwellers to eat boiled cats, dogs and rats. Further, the threat to the Palestinian presence in Beirut served to unite Mr. Arafat's loyalists in Lebanon with dissident P.L.O. factions based in Damascus. Last month, as the divided Arab states met in Kuwait, under the guise of a summit of the Islamic world, Mr. Arafat was able to use the plight of the refugees as a lever.

A Patronage Battle

Perhaps his most important success was obtaining a \$9.5 million gift to the P.L.O. from Saudi Arabia, quickly followed by \$5 million from Kuwait to revive a bankrupt Jordanian-Palestinian fund for aiding areas under Israeli occupation. In effect, the money will enable Arafat to wage a kind of patronage battle on the West Bank, competing with the much ballyhooed five-year West Bank development plan established by King Hussein of Jordan and backed by the United States in tacit cooperation with Israel.

In a symbolic gesture, Mr. Arafat also insisted on the return to Jordan of his chief military commander, Khalil Wazir, better known as Abu Jihad, who had been banished from the country seven months ago after King Hussein bitterly broke up inconclusive negotiations on a peace initiative with Mr. Arafat.

Mr. Arafat's claim to leadership of Palestinians in the West Bank and the Gaza Strip was also strengthened by violent demonstrations by Arabs there against the fighting in Lebanon. In Lebanon last week, there was a sudden easing of the siege of the Palestinian camps, as resentment among other armed groups against Amal's growing domination of West Beirut provoked the fiercest street fighting in recent memory.

Druse, Sunni and leftist militias united against Amal in block-to-block battles with tanks and rockets. All these factions are vassals of Damascus. Syrian troops stationed in Beirut have done little to stop the carnage, although their commander declared that the fighting must stop. Thus, the fighting was an embarrassment to Syrian President Hafez al Assad, who was reportedly sending tanks and troops to Beirut to try for a cease-fire, and a boost to Mr. Arafat.

Meanwhile, there was some indication that feuding Palestinian factions might be moving toward increased unity in Syria as a result of strains between Damascus and the Palestinians based there, particularly the Popular Front for the Liberation of Palestine and the Marxist-oriented Democratic Front for the Liberation of Palestine, whose offices were raided by Syrian security police.

In Algiers, a meeting of the influential Palestinian writers union produced denunciations of both Jordan and Syria, and seemed to portend movement toward reunification of the feuding P.L.O. factions.

It was little wonder then that Mr. Arafat appeared ebullient, meeting Western journalists in Kuwait after the Islamic Summit, fairly chortling as he fended off questions.

Asked if he could envision shaking hands with his sworn enemy, Syria's President Assad, a wide grin split Mr. Arafat's habitually unshaven face.

"Why not," he shrugged. "This is the Middle East."

For Arafat, Nothing Succeeds Like Failure

By JOHN KIFNER

AMMAN, Jordan

YASSIR Arafat never wins. But in losing over the years, the Palestine Liberation Organization leader has demonstrated a wily ability to fashion a kind of victory — continued survival — out of his defeats.

Thus, the Palestinian guerrilla movement seemed last week to be making a comeback after one of its lowest ebbs. The P.L.O.'s forces were still scattered around the Middle East and North Africa, and divided into factions; Palestinian refugee districts in Lebanon were brutally besieged by Shiite militiamen, and many Arab lead-

ers, their attention diverted by Iran, were saying in private they were sick of the Palestinians. But at week's end, Mr. Arafat's fortunes appeared once again to be reviving.

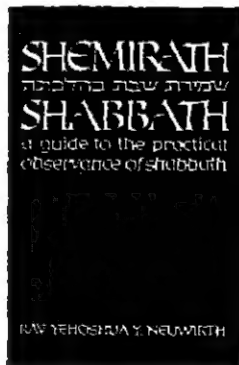
"That the P.L.O. is making a comeback, there is no question," said a weary Palestinian intellectual. "But where they are going is something else again." In the shifting alliances and divisions of the Middle East morass, Mr. Arafat's triumph of the moment was pieced together last week in the Persian Gulf, Damascus, Beirut, the Israeli-occupied West Bank and Gaza Strip, and in Algiers.

As usual, the key facts were written on the battleground, in gunfire and blood. Mr. Arafat has long been slipping his fighters back into the ramshackle refugee districts on the fringes of Beirut, Sidon and Tyre.

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Jewish Family Section

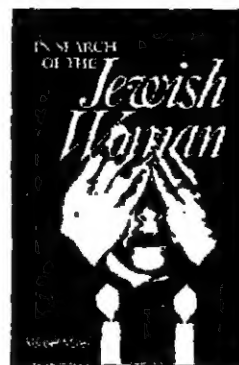
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A Voice From Bangkok



Students giving a traditional greeting in a school at the Khao I Dang refugee camp near the Cambodian-Thai border.

The West Should 'Take Cambodians Off Our Hands'

BANGKOK, Thailand — The Khao I Dang refugee camp in Thailand opened in 1979 to shelter tens of thousands of Cambodians who earlier had fled a four-year reign of terror by the Khmer Rouge. An invasion by Vietnam in late 1978 produced another influx into Thailand that continues today. At one time, about 140,000 Cambodians lived at Khao I Dang. Thailand repeatedly said it wanted to close the center, but it delayed doing so in response to world pressure to give other countries a chance to find homes for the Cambodians. Finally, last month the camp closed. So far, however, no residents have been moved to the border camps controlled by Cambodian resistance groups and Thai troops. The officials are still working out the logistics. United Nations officials said last week that Khao I Dang's population is 22,134. Nearly 15,000 of them — the remaining original population and those granted refugee status — will lose that status but are eligible for resettlement. Third countries have already accepted several thousand. But more than 7,000 Cambodians who entered the camp illegally will not be considered for resettlement unless they have close family members outside who have already emigrated. Following is a discussion of Thailand's position by Suthichai Yoon, editor of *The Nation*, a Bangkok English-language newspaper.

By SUTHICHAH YOON

THE criticism of Thailand by the Western countries because of its decision to close down the Khao I Dang refugee camp stemmed from a misunderstanding that it was a slapdash decision. In fact, the decision to allow no more refugees into the camp near the Cambodian border was

made in 1980; two years ago, Prasong Soonsiri, secretary general to the Prime Minister, proposed to relocate the camp and the Government accepted that. The decision was no secret: Embassies in Bangkok were aware of the direction in which Thailand was moving to solve its refugee problem.

One Western relief worker at the camp described Khao I Dang as a "symbol of compassion," a demonstration of Thailand's good will in dealing with the influx of Cambodians. But Thailand does not need any such gesture since it has demonstrated its traditional compassion by admitting hundreds of thousands of Laotian, Cambodian and Vietnamese refugees. When Malaysia and Singapore turned back the Vietnamese "boat people," giving them just enough food and water, and when ocean liners refused to pick them up, Thailand was one country that never turned away a boat with refugees.

Compassion Fatigue

After the fall of Saigon, Phnom Penh and Vientiane in 1975, thousands and thousands of refugees streamed into Thailand. Various countries then were keen on resettling them — the United States, France, Canada, Australia, in that order; were the foremost.

In a few years, however, compassion fatigue set in and the processing of refugees by other countries slowed down.

But when Thailand made the agonizing decision to close Khao I Dang the country came in for criticism. Australia sent its Immigration and Ethnic Affairs Minister to the camp to make a report.

The State Department issued a statement expressing concern and the United States Lawyers Committee for Human Rights, a New York-based group that last week issued a report on human rights abuses in the border camps and at Khao I Dang, sent two representatives to study the situation.

Where was all the compassion and zeal during the previous few years? Were they not aware that Thailand was seriously studying the refugee situation — which it never bargained for — and examining various options?

Or were they, like Japan, salving their consciences by contributing to the United Nations High Commissioner for Refugees and trying to shut their minds to problems of a small third world country coping with hundreds of thousands of refugees?

Critics oppose the decision to close the camp because nearly 15,000 Cambodians will lose their refugee status and can be returned to Cambodia if conditions permit, though they are free to contact any foreign embassy to make a case for resettlement.

Critics also say that the quarter of a million people in the border camps, run by the United Nations Border Relief Operation under the supervision of Thai authorities, will be exposed to danger because of frequent Vietnamese incursions into Thailand during the dry season. This year, artillery shells fired across the border from Cambodia have caused fewer than 10 Cambodian casualties, including four deaths. In the same time, four Thais living in nearby villages have been seriously injured.

What is the other side of the coin?

Refugee status has not done much good for the nearly 15,000 people. Furthermore, many Cambodians want to go back to their country. During the rainy season, June to October, it would be easy for them to slip across the border.

Because of compassion fatigue, Western countries have slowed to a trickle the processing procedures and limited the admissions criteria to only family reunion and high employment potential. If they are so concerned about the problem, why don't they take the Cambodians off our hands?

Giving lip service to promote compassion for the displaced Cambodians and criticizing Thailand's decision to minimize the refugee problem is an easy way to boost a country's prestige. Neither the United Nations High Commissioner nor any country criticizing Thailand's attempt to solve the refugee problem has a monopoly on compassion.

Khao I Dang is not a gymnasium for idealists to practice their nebulous virtue. The refugee question is one in which compassion and idealism should be translated into action.

Foreign Interest Suspended

Brazil's Debts Now Carry a Political Price For President

By ALAN RIDING

BRAZIL'S decision to suspend payments on its \$108 billion foreign debt last week marked the reappearance of an explosive element that had been kept safely locked away for two decades by the country's military rulers. Politics, all that business of wanting to be popular and having to get elected, has returned with a vengeance.

Political freedoms were officially restored with civilian rule in March 1985. Nationwide elections were held in November for 23 state governors and a Congress that will write a new Constitution. Yet political pressures on the Government were relatively few. Now, however, with the decision to suspend interest payments, following four years of withholding repayments on the principal, political priorities appear to have taken precedence over economic rules. The suspension affects about \$500 million of quarterly interest owed to American commercial banks.

President José Sarney's political allies say he fears that an economic slump could erode all support for him in a Congress that will eventually define the length of his term and is already asserting its "sovereignty." The majority party, the centrist Brazilian Democratic Movement, which formally backs the Government, refuses to endorse unpopular economic measures that could undermine its own electoral chances. And opposition parties of left and right are reaching out to exploit growing disenchantment with the Government.

With Mr. Sarney widely seen to be fighting for his political life, politics has blocked the way to any orthodox response, such as a wage freeze or cuts in social spending, to the latest economic crisis. And with the Government short of funds to avert a recession, the immediate consequence has been the temporary suspension of interest payments. The Government is gambling that it can extract long-term concessions from its creditors — "to pass the bill abroad," as one banker put it, and thus avoid politically costly austerity at home.

In a televised speech to the nation announcing the decision Friday night, President Sarney insisted that Brazil was not seeking a confrontation with creditors, but he argued that "we cannot pay our debts with the hunger of the people." And he added: "We want to negotiate a formula to meet our obligations without compromising our development, a formula that avoids the political instability that will inevitably follow a new recession, unemployment or social crisis."

Ignoring Economists' Warnings

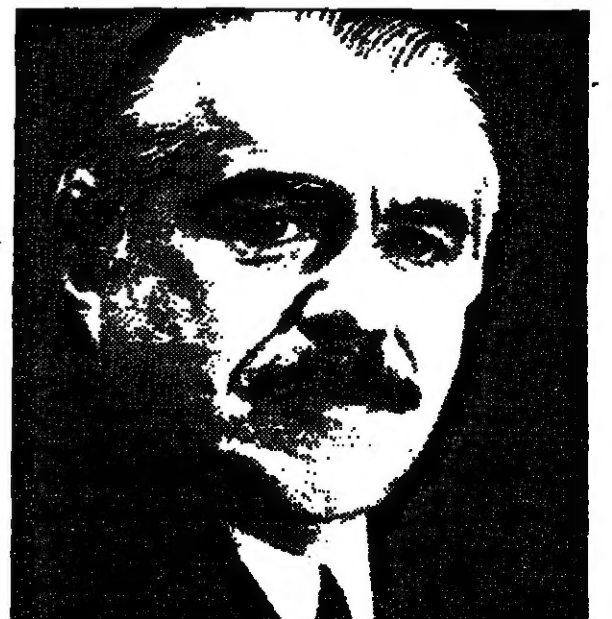
But politics was already preparing the ground for the new crisis when Mr. Sarney decided to maintain a popular price freeze until after the Democratic Movement Party swept the Nov. 15 elections. Economists warned him that an uncontrolled consumer boom was eating up Brazil's trade surplus and hard-currency reserves, while price controls were disrupting industry. But Mr. Sarney hoped for a huge majority in Congress that could guarantee him a six-year term.

Once the Democratic Movement Party was in control of Congress and 22 of the 23 state houses, however, the price freeze was lifted, hyperinflation returned, the specter of a foreign debt crisis appeared and the President's popularity tumbled. Then, with Mr. Sarney being criticized by Government party leaders and even by two of his own ministers, fears of a still stronger political backlash prompted the Government to adopt a measure, the payment suspension, calculated to stir nationalist support.

Nonetheless, while the most blatant symptoms of the present crisis are economic, many political commentators believe that deepening uncertainty about the immediate political future must be resolved before any fresh economic strategy can succeed. In this, a key question is whether the President can count on continuing support from the Democratic Movement Party. Significantly, although he ordered last year's price freeze as an initiative of his own, he repeatedly delayed announcement of last week's measures while consulting the majority party. The party's leader, Ulysses Guimarães, who is himself a candidate to succeed Mr. Sarney, has said he will only support a policy built around no recession, no unemployment, no drop in real wages and no dealings with the International Monetary Fund.

Contributing to the confusion is the traditional weakness of Brazil's political parties. For example, despite its numerical strength, the Democratic Movement Party lacks ideological consistency and internal discipline and still seems reluctant to accept the responsibilities of power. It is formally allied to the more-conservative Liberal Front Party, but this party's leader, Aureliano Chaves, himself a future presidential candidate, publicly criticized Mr. Sarney only a few days ago. And with few Brazilians identified with a party, populists such as the socialist opposition leader, Leonel Brizola, are well placed to appeal directly to the electorate.

But perhaps most disruptive, the departing generals made it a condition of their transfer of power to a civilian opposition leader that he be chosen by an Electoral College rather than a direct vote. The President-elect, Tancredino Neves, died without taking office and his running mate, Mr. Sarney, took over. The date of the first direct election for president since 1960 was left for the new Congress to decide. Whether that election comes sooner or later will likely be determined by the success or failure of Mr. Sarney's new debt challenge.



President José Sarney

Keynote/Brain F. Alpert

An Alleged Nazi Goes on Trial in Jerusalem

Once Again Into That Ashen Night of History

By FRANCIS X. CLINES

A NEW generation has come to life since Adolf Eichmann, the dour technocrat of the Nazi death camps, was tried and hanged 25 years ago, his ashes cast downwind from Israel upon the Mediterranean. Last Monday, the nation began only the second trial of an alleged Nazi war criminal in its history. This time the defendant was a retired auto worker extradited from Cleveland, John Demjanjuk (pronounced Dem-YAN-yuk), who seemed to startle the national audience in offering a bluff smile and a plea of innocence of ever having been a sadistic functionary in the Treblinka death camp — a victim himself, he pleaded, of mistaken identity. "Boker Tov!" he cried in Hebrew. "Good Morning!"

Beyond debating the guilt of this man, Israel is debating the trial itself — the narrow question of proving a man's identity from decades ago, the advisability of reaching once again into that ashen night of history from an ever increasing distance.

"One could see Demjanjuk with his son, standing on the podium, waving his hands, making signs of a winning boxer and smiling, sending kisses and hugging, identifying people in the hall," said Chaim Guri, an Israeli author. "It was very human and I couldn't figure out what was going on." The writer expects the court to prove this was indeed Treblinka's infamous Ivan the Terrible, the gas chamber executioner in the murder of 870,000 Polish Jews. But in the meantime, Mr. Guri said: "This doubt of identification, it produces a shudder in the heart that, God forbid, this whole thing will end in a terrible farce."

The Eichmann trial, in contrast, was a well used, doubt-free opportunity for young Israel to array the Holocaust before history and the world like some inchoate requiem with all the logistical detail of death that was Eichmann's admitted specialty. The Demjanjuk trial is different, truly aimed at an alleged tool, a nefarious tool, used by Eichmann and the other leaders in the extermination of the Jews. He is a Ukrainian accused of becoming a Nazi tool once the Germans captured him as



John Demjanjuk (center) in courtroom in Jerusalem last week.

a Soviet soldier. He claims he was kept in a prisoner of war camp, but the Israelis charge he all too enthusiastically ran the engines in the Treblinka gas chambers, taking it upon himself to mutilate and whip the naked throngs of Jews to hurry them into death.

The bald, overweight six-footer shambles onto the stage each morning with, as audience members invariably note, the physical look of a central casting Nazi thug. But he is a man of 66 years clinging with a desperate smile to the presumption of innocence as he faces accusations of having tortured thousands of Jews 45 years ago at Treblinka.

"I keep looking at this man and I say, 'Who are they judging here?'" said one woman in the audience. "Are they judging the man of 21 or the man of 66?"

They are judging a man, a grandfather facing the hangman's noose, whose 21-year-old son sits behind him proclaiming the father's innocence, a man already stripped of his United States citizenship in a 10-year extradition fight that presented, in effect, a preliminary judgment of the Treblinka charges. He was first accused 13 years ago, while living the good suburban life and

tending his garden in Parma, Ohio, showing up as one of 73 Ukrainian-Americans reported to Immigration officials as suspected war criminals by a Ukrainian who had studied Soviet archives.

"To judge by the way he looks is to use Nazi tools," said Shevah Weiss, a member of the Knesset and Holocaust survivor, who then added like many Israelis, "The judges will decide. I'm sure they will not send someone to hang if he is innocent."

The burden on this three-judge tribunal seems more difficult, for the Eichmann case was documented in undeniable waves of the book and bone of history. This trial involves a more forensic struggle over a 45-year-old Nazi photo identity card in the name of Ivan Demjanjuk, the defendant's original name. His lawyers contend it is a forgery concocted by Soviet officials.

They also question, without quite making the accusation of vengeance, whether Treblinka survivors have engaged in "wishful thinking" in accusing Mr. Demjanjuk.

The defense complains Israel is making a "show trial" of the proceedings, with photography and television allowed in the court built on the stage of a converted movie theater. If anything, the presiding judge, Supreme Court Justice Dov Levin, has been remarkable for barring the encyclopedic documentation of the Eichmann trial, nipping florid oratory and prodding the lawyers to get to the direct testimony of Treblinka witnesses.

State television officials say viewer interest so far is not great enough to attract funds for daily broadcasting. A news magazine headline asks: "Who Cares?"

The audience includes the generation that came after the ashes of Eichmann and some are asking the familiar Holocaust question. "I don't understand how they could have gone to their death like that," said a 17-year-old. "Why didn't they fight?"

There was a rebellion at Treblinka. Its survivors, in their seventh decade now, are about to describe it for the new generation and to confront Mr. Demjanjuk in what may be the last time eyewitnesses will be heard in a court of Israeli justice on the woeful events of the Holocaust.

The Nation

Seven Nations Try Cooperating On the Dollar

After tugging in different directions for months, the United States and its chief economic allies tried again this weekend to pull together to stabilize their currencies and reduce trade imbalances.

Officials said no statement would be issued until today, when the finance ministers of Japan, West Germany, Britain, France, Italy, Canada and the United States end their meetings. They were to discuss a Washington proposal to set "reference zones" to limit swings in the value of one currency in relation to others.

The dollar's value dropped more than 40 percent against some leading currencies over the last two years. The Reagan Administration let it fall in the belief that a weaker dollar would erode the trade deficit and stave off protectionist legislation. But rapid devaluation this year alarmed Japan and West Germany, whose economies depend heavily on selling goods to the United States.

In exchange for efforts to stabilize the dollar, Mr. Baker pressed Bonn and Tokyo for tax cuts or interest-rate reductions to enable their people to buy more of other countries' goods. The Japanese obliged with a discount rate cut Friday.

U.S. Issues Rules For Drug Tests

In guidelines issued last week for widespread drug testing of Federal employees, the Reagan Administration emphasized safeguards against false accusations and cheating.

Attorney General Edwin Meese 3d and Dr. Otis R. Bowen, the Secretary of Health and Human Services, said at a news conference Thursday that a three-stage testing process would weed out false results, preventing "adverse personnel actions" against innocent employees. On the other hand, those justifiably afraid of a positive result face a battery of rules intended to prevent the switching or diluting of urine samples.

Employee unions, whose leaders excoriated the guidelines as "outlandish" and humiliating, have challenged the program in court. But Mr. Meese said random testing has now been upheld by two Federal appeals courts. One ruling involved the heavily regulated horse-racing industry. In the other, the Federal appeals court in St. Louis said Jan. 12 that Iowa state prison guards who "come into daily contact with inmates" could be tested at random. Safety considerations, the court said, outweighed Fourth Amendment protections against unreasonable search and seizure.

Martha A. Miles and Caroline Rand Herron

Verbatim: Welfare That Works

"What we want to do is turn what is now primarily a payments system with a minor work component into a system that is first and foremost a jobs program, supported by an income assistance component. Our proposal focuses on education, training and employment for the families now dependent on the welfare system, along with a decent living standard with which these families can support their children while they strive for self-sufficiency."

Gov. Bill Clinton

Democrat of Arkansas
and chairman of the National Governors Association, on welfare revisions that the governors will consider at their winter meeting this week.

Mario Cuomo Takes the Road Less Traveled By



Clockwise from top right: Representative Richard A. Gephardt, Senator Edward M. Kennedy and Howard H. Baker Jr.



The New York Times/Jose R. Lopez (Kennedy); Paul Conklin (Gephardt)

The Momentous Decision Not to Run for President

By ADAM CLYMER

WHEN politicians decide not to run for President, it's news. Whether the reasons they give — especially the family reasons cited by Mario M. Cuomo Thursday, or by Edward M. Kennedy in 1982 — seem to explain it all or not, there is something that seems unusual in proclaimed self-denial by a politician prominent enough to be thought of a serious candidate to begin with.

Nobody ever gets surprised any more when a politician announces that he will run. Amused, perhaps, but not surprised. The modern version of throwing a hat into the ring has so many preliminary steps that the announcement itself — such as Representative Richard A. Gephardt's tomorrow in St. Louis for the Democratic nomination — is almost an anticlimax.

It is true that a would-be Chief Executive can still occasionally attract attention by putting the word out that he has decided to form an "exploratory" committee. Former Senate Republican leader Howard H. Baker Jr. did just that a couple of weeks ago. Such committees usually return with a favorable report, which the candidate then cites in his eventual announcement.

But all three kinds of Presidential, or non-Presidential, moves are preceded by serious thought, which involves answering some, or even most, of these questions:

• Can I be a good President, and do I want to do it badly enough to give up two or more years of my life campaigning, in what has come to be a physical, mental and emotional endurance contest? No one has ever admitted to answering "no" to the first part of that question. But in 1974 Walter F. Mondale, who nine years later was to announce "I am ready," rejected the second

part, saying he did not want to spend two years "sleeping in Holiday Inns." He also said he lacked "the overwhelming desire to be President which is essential for the kind of campaign that is required." Friday, when Senator Sam Nunn of Georgia spurned the 1988 race, at least for now, he seemed to say that his overwhelming desire was to chair the Armed Services Committee.

• Can I ask my family to make the sacrifice? Mr. Kennedy said in 1982 that his children deserved his time more than campaigning. Mr. Cuomo said he wanted time with his children.

• Do I want it badly enough to put up with intense press scrutiny of my past or my private life, followed by reports of the sort that most politicians consider unfair? When Mr. Kennedy ran in 1980, just about every major news organization launched a new investigation of Chappaquiddick, and a candidate these days would be foolish to assume that any past episode that was even arguably questionable would not be probed. The current shorthand for such potential difficulties is "a Ferraro problem," after the inquiries, closed last week, into the finances of Geraldine Ferraro, the 1984 Vice Presidential candidate.

• Even if I can put up with that stuff, do I want it badly enough to invite those kinds of investigations and articles about my children? Governor Cuomo denied that he thought that his not running for President would spare his son, Andrew, a New York lawyer, the publicity the Governor has denounced in the past. But most observers believed that such a concern was a consideration.

The Practical Issues

Those are just the personal questions. The political ones offer less certainty and more opportunity to step into the quicksand of optimism. They also involve relying more on the judgments of others, and sometimes strangers. That in itself has proved difficult for some candidates, such as Treasury Secretary John B. Connally or in 1984, Senator Gary Hart. It is obviously difficult for Mr. Cuomo, whose circle of advisers is tiny.

The key political questions are: Do I have a reasonable chance of winning the nomination? What about the general election? Liberal Democrats and conservative Republicans both tend to do better in primaries than in general elections. Mr. Kennedy in his 1985 rejection of a 1988 race said doubts about the general election were important factors.

Can enough money be raised? That question gets tougher each time. The very heavy primary activity in the first few weeks of 1988 may be decisive, so the money is needed this year.

Finally, a smart candidate considers whether a long-shot Presidential candidacy would weaken his hold on a current office. This did not use to be a problem. Senators Hubert H. Humphrey and Stuart Symington, for example, lost nothing by weak runs at the 1960 nomination. But now it can hurt. The extended coverage of campaigns today helped Senator Alan Cranston's dismal bid for the 1984 nomination sow the seeds for a near-defeat when he sought re-election in California.

Mr. Cuomo, tossing off affirmatives about his competence and whether he could win, has chosen not to run. Mr. Baker, making it clear that his family concerns about his wife's health were satisfied and implying that the opposition, especially Vice President Bush, appeared vulnerable, has turned to considering the money problem.

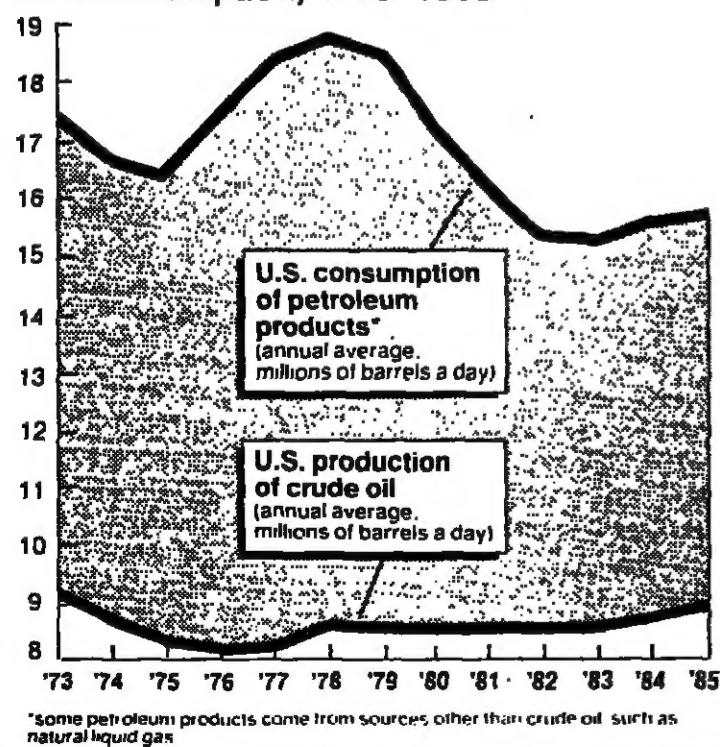
And Mr. Gephardt, with that introspection behind him, will try reporters and friends out from Washington for the kind of home-sown announcement that began to develop when Birch Bayh, who usually made the mistake of selling himself as a professional politician, eschewed the then-traditional Senate Caucus Room and announced in 1975 on his farm at Shirleville in Indiana.

Reagan Administration Pushes for Nuclear Power Subsidies and Oil Drilling on Public Lands

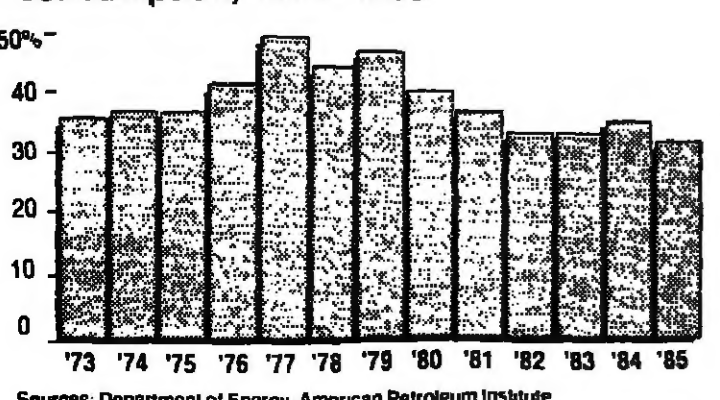
Peering Into the Energy Future and Sighting Gas Shortages

America's petroleum needs

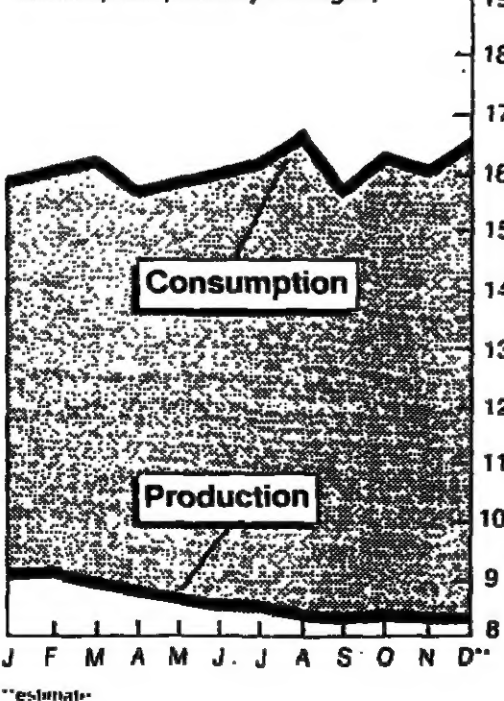
U.S. petroleum production and consumption, 1973-1985



Imports of crude oil and petroleum products as a percentage of domestic consumption, 1973-1985



1986 Declining production vs. rising consumption (monthly averages)



1986 Growing percentage of imports



By PHILIP SHABECOFF

WASHINGTON
THE United States will start to run out of gas, many analysts agree, in as little as three decades.

Last year, low oil prices brought a sharp drop in domestic production, putting the OPEC countries "back in the driver's seat," according to Interior Secretary Donald P. Hodel. His prediction that "people will be sitting in gas lines any time within the next two to five years" has been widely challenged. For the longer term, however, few experts quarrel seriously with estimates that economically recoverable domestic supplies will be all but depleted by 2020, even if oil prices go up again and new oil is discovered. Extensive reserves would remain in the Middle East, Mr. Hodel and others say, but this country would have severe economic and national security problems.

Experts in and out of the Government believe that, with the world oil market stable for now, the nation has a breathing space to prepare for scarce oil and rising prices. But there is sharp dispute over what preparations to make, a dispute rooted in different beliefs about the proper role of the Government.

The Reagan Administration and its supporters believe that Federal meddling with prices and supplies caused the energy crisis of the early 1970s. So the Government has tried to remove obstacles to energy development on most Federal land, encouraged nuclear power and filled a 500-million-gallon strategic oil reserve. Otherwise it trusts to market forces to supply current and future energy needs.

Environmental groups, some research organizations specializing in energy issues and some members of Congress contend that this attitude is creating a vacuum that will ill serve the nation. What the Government should do, these critics say, is to promote conservation of remaining coal and oil while developing renewable forms of energy. "Pushing to develop oil to prop up the domestic oil industry makes no sense at this point," said Christopher Flavin, senior researcher for the Worldwatch Institute. "We have to be dependent on a more diverse array of domestic sources and more energy efficiency."

Amory B. Lovins, research director of the Rocky Mountain Institute, a research group based in Colorado, said that if just two conservation measures of the 1970s — eliminating gas-guzzling automobiles and insulating dwellings adequately — were vigorously pursued today, the country could end its dependence on foreign supplies for much less than it would cost to develop frontier oilfields.

But the tax credit for home energy conservation expenditures ended at the beginning of 1986. A study by Vice President

Bush recommended in December that fuel economy standards for new cars be abolished. The month before, President Reagan vetoed a bill requiring manufacturers to build appliances that conserve electricity, because it "intrudes unduly on the free market." Last week the Senate passed a similar bill again, and if the House goes along, as expected, Administration sources say the President may not veto it this time.

There is no Administration softening, however, toward the import fees or taxes on foreign oil that have been proposed by some conservationists, legislators from hard-hit oil-producing states and some oil companies. Mr. Hodel, a former Energy Secretary, said, "This Administration believes that the Government fails miserably when it tries to guide the price of energy."

If the Government really wanted to encourage domestic production, said Leonard Bower, director of policy analysis for the American Petroleum Institute, it would remove the windfall profits tax on oil. And Mr. Bower thinks the Administration ought to move more expeditiously to open up Federal lands and offshore areas to development, contending that past performance shows oil drilling need not harm sensitive areas. But environmentalists contend that Administration efforts to squeeze oil and coal from Federal lands will needlessly but permanently devastate the Arctic National Wildlife Range in Alaska and the California coast.

While they believe an adequate conservation program would make such drilling unnecessary, the Administration's critics also call for Government subsidies for development of alternative energy sources, such as solar and wind power, or fuels like methanol that can be made from grain or from waste products. Thousands of private projects exist, but they lack the capital to become a national force on the energy scene.

The Administration opposes Federal spending to expand such efforts, Mr. Hodel said, "because the power to subsidize is the power to destroy" — if the Government backed one energy source with a subsidy, it could destroy the competitiveness of an unsubsidized source. While support for research is proper for the Government, Mr. Hodel said, "I don't want our guys spending big money on demonstration projects." Officials do not make good businessmen, he said, "because their own money is not at risk."

Tina Hobson, executive director of the Fund for Renewable Energy and the Environment, said that the United States once had the lead in photovoltaic technology, which generates electricity with solar energy, but now trails far behind Japan. "It is almost surreal," she said, "to hear the Secretary of the Interior talk about drilling in national wildlife refuges and offshore, when we could solve our problems by investing a fraction of what we spend on Star Wars in research and development of renewable sources of energy."

مكتبة الأمل

Dickey Days at McDonnell Douglas

It's betting big on the MD-11, but Boeing and Airbus are doing a squeeze play.

By STEVEN GREENHOUSE

SANFORD N. McDONNELL, 64-year-old chairman of the McDonnell Douglas Corporation, often describes the aerospace industry as a "Las Vegas-type" business in which companies gamble billions of dollars every time they decide to develop a new plane.

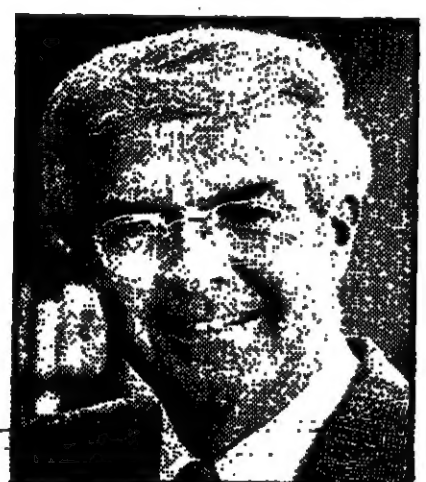
And Mr. McDonnell, an unflappable, 6-foot-2 Arkansas native, recently placed one of his biggest bets ever. Despite huge uncertainties about whether there will be enough demand for a new plane, McDonnell Douglas decided to spend \$1.5 billion and build its widebody MD-11.

McDonnell Douglas hopes the new long-range plane, an updated version of the DC-10, will find a profitable niche between Boeing's huge 747 and its smaller 767. But Boeing, the industry's colossus, hopes to squeeze the MD-11 by marketing a downsized 747 and by stretching the length of its 767.

What is more, Airbus Industrie, the European consortium, is taking direct aim at the MD-11 with its plans to invest \$3 billion or more to develop a long-range widebody, the A340.

"It's high-stakes poker," said Morten Beyer, president of Avmark, an airline consulting firm based in Arlington, Va. "The world just might not be big enough for McDonnell Douglas, Airbus and Boeing."

The decision to build the MD-11 clearly gives a good illustration of the high-risk economics of the aviation industry. Many companies have gone bankrupt as they waited fruitfully to recoup their investment on new planes,



Sanford N. McDonnell, chairman

and even a successful plane can take 20 years before it begins to return a profit.

"Commercial aviation is a business in which normally sensible people lose all touch with reality when it comes to investing in new planes," said Wolfgang H. Demisch, an analyst with the First Boston Corporation. "The basic problem in this industry is that it is grotesquely undercapitalized in relation to the size of the investments that have to be made." Mr. Demisch added that aircraft manufacturers that want to stay in business have little choice but to invest in new planes to keep up with the competition.

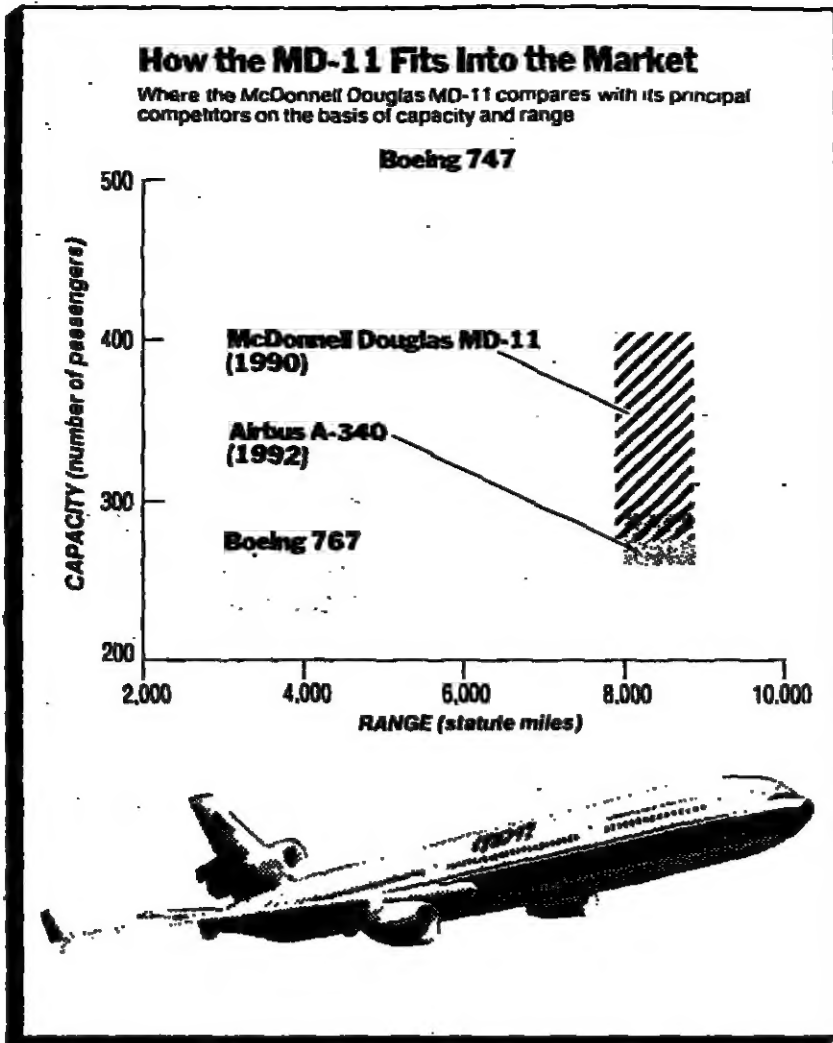
The stakes in the aircraft industry go beyond money — they also involve national pride and international trade frictions. France, West Germany and Britain have pumped billions of dollars in loans into Airbus to help keep Europe's commercial aviation industry afloat. And Washington recently sent a high-powered delegation to Europe to argue that these loans are unfair subsidies that in effect force McDonnell Douglas and Boeing, the two American companies that build commercial airliners, to compete against Europe's government treasuries. Responding to those accusations, an angry French Prime Minister Jacques Chirac said last Thursday that "All American aeronautical constructors are financed by the Pentagon and NASA," and added that if the Americans want a trade war over the widebodies, "then they will certainly get one."

Commercial aviation is not McDonnell Douglas's only risky business. The aerospace giant, which had \$12.6 billion in revenues last year, is one of the nation's leading military contractors, a sector that has been hurt by slower growth in military spending. In addition, the company has made a problem-plagued foray into the fashionable field of information systems (see box).

Difficulties in its other businesses were one of the factors that influenced McDonnell Douglas's decision to proceed with the MD-11.

At first, McDonnell Douglas officials sought to minimize the risk by saying they would not build the plane unless they received at least 20 orders, including one from a foreign and one from a domestic airline. McDonnell officials considered a domestic order essential to demonstrate that the plane would be accepted in the United States market, the world's largest.

Their caution was understandable. The development costs will total about \$500 million over the next five years while tooling and inventory costs will run close to a \$1 billion. Together those figures come to about 60



percent of shareholder equity at McDonnell Douglas.

When the company began pitching the plane, foreign interest was high. In recent months, a dozen airlines — including Alitalia, Scandinavian Airlines and British Caledonian — placed 52 firm orders, totaling \$5 billion, and took options on 40 more planes.

But domestic airlines placed no orders. Industry sources say that cost-conscious domestic carriers have been pushing McDonnell Douglas to lower the price, but the company so far is holding firm. Even so, sources say Delta will probably be interested once it absorbs Western Airlines. United Airlines is considering the MD-11 for some Pacific routes, and American is also looking it over.

The absence of American orders is not for lack of trying. Like its competitors, McDonnell Douglas went to great lengths to attract buyers. The company, for example, invited in senior pilots from a dozen airlines to examine and make suggestions on a model of the MD-11's two-person cockpit. Company engineers work closely with airline engineers to develop specifications on range, fuel efficiency and seating.

James E. Worsham, who became head of Douglas in 1982 and is credited with turning it into a money maker, recalls that he was so eager to land an MD-11 order that he once hopped out of the shower for a long, dripping conversation when the chairman of Alitalia called him at home.

The flood of foreign orders persuaded McDonnell Douglas to proceed with the MD-11 in December, even with no domestic airlines on board. The company was eager to beat Airbus to market with the new widebody, and even hoped that the decision might persuade Airbus to drop its plans to build the A340.

The investment community was not thrilled; McDonnell Douglas's stock plunged the day after the MD-11 announcement. Some skeptics anticipated a replay of the 1970's widebody war between McDonnell Douglas's DC-10 and Lockheed's L-1011. That battle forced Lockheed out of the commercial aviation business and caused huge losses at Douglas Aircraft, the commercial aircraft company that McDonnell acquired in 1967 as a diversification move.

But McDonnell Douglas executives are convinced they have made the right decision. For one thing, they believe that the company needs at least two aircraft offerings to survive in commercial aviation; otherwise, the company's health would depend entirely on one product. At the moment, the only commercial plane it has in production is the MD-80, a 150-seat plane.

And they are confident that there will be strong, sustained demand for the MD-11, a three-engine plane that has two passenger aisles and seats 300. Many airlines would like to retire their aging DC-10's, and McDonnell Douglas wanted to be able to offer a replacement. As a result of deregulation, many carriers are flying from secondary gateways like St. Louis and Dallas to foreign destinations, and for those trips, airlines want fuel-efficient, long-range planes that are smaller than Boeing 747's.

Industry analysts say a company normally has to sell 200 planes to break even on a new model, but McDonnell Douglas forecasts that it will garner between 300 and 400 of the 1,400 widebody orders it expects industrywide by the year 2000. But some analysts expect that the industry will get a total of only 500 orders.

This won't be the first time Mr. McDonnell tries to pilot the Douglas division through a rough flight. In the early 1980's it looked as if Douglas, an aviation pioneer based in Long Beach, Calif., might close for good. Airlines were buying few planes because of the recession, and DC-10 orders had ground to a halt partly because they had been involved in a stunning series of accidents, including ones in Paris, Mexico City and a 1979 crash in Chicago in which 273 people died.

To keep Douglas open, the company took a huge gamble: It agreed to lease its MD-80's, an updated version of the venerable DC-9, to airlines that had no obligation to buy them. The idea was that these leases would generate demand for the planes and provide enough income to help Douglas stay afloat until the recession ended and new orders poured in.

The gamble worked, and helped Douglas's revenues soar to \$3.5 billion in 1986, from \$1.9 billion three years earlier. And it taught the company a lesson: Updating an aircraft may not be glamorous but it can work financially. That, in essence, is the strategy for the MD-11.

"In the case of the MD-11, our investment is only a quarter of what it would be on an all-new airplane," said McDonnell Douglas president John F. McDonnell, a 48-year-old aeronautical engineer who is Sandy's cousin and the son of the company's founder.

Some analysts praise the decision to build the MD-11. "They've gotten off to a lot stronger start than most people anticipated," said Paul H. Nisbet, an analyst with Prudential Bache. "With all their orders and options, they may already have covered their costs. And since they have 20 years of marketing in front of them, they should be able to make money."

The MD-11 will face serious competition, though, from the A340, which is

expected to get to market in 1992, two years after the first MD-11. Airbus, which has already had considerable success with its smaller models, has gotten orders for 22 A340's. Not surprisingly, they came from Lufthansa and Air France, two government-controlled airlines. Airbus hopes to win additional orders, and, according to industry sources, is busy trying to steal some of the MD-11 orders that McDonnell Douglas is bragging about.

Airbus pitches the A340 as a completely new plane that uses lightweight composites, state-of-the-art electronics and a new type of engine, the ducted fan, that it claims is 13 percent more efficient than the MD-11's engines.

Airbus has one more powerful selling point: price. The A340's already ordered went for about \$67 million each, while the MD-11's cost \$95 million, nearly half again as much.

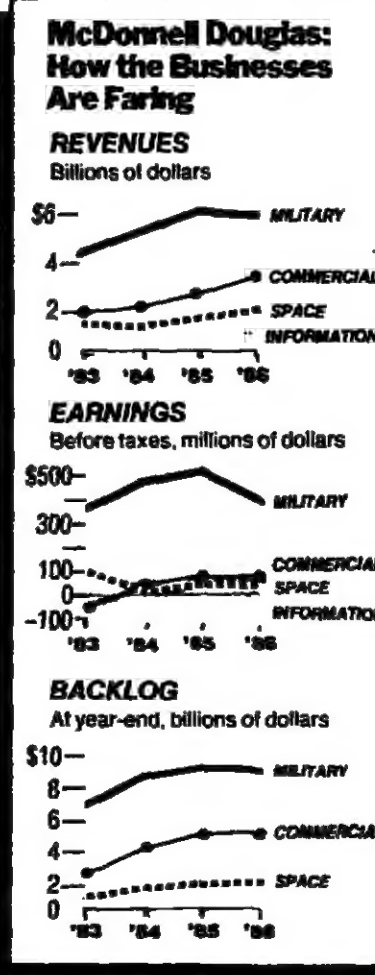
Airbus's sharply lower prices, in fact, have led to complaints of unfair trade practices. "Airbus is using a brand new concept which requires much higher development costs and they're offering airplanes for a much lower price than ours," said Sandy McDonnell, whose office is filled with mementos of Scotland and miniature models of fighter aircraft. "That's predatory pricing, that's pricing below cost."

Two weeks ago, Washington sent a trade delegation to Europe to protest the government loans to Airbus. The delegation charged that the loans were essentially government subsidies that violated the General Agreement on Tariffs and Trade. After the delegation returned from its week of angry talks, the Reagan Cabinet decided not to retaliate against the Common Market — although it refused to rule out such a move in the future.

Alan S. Boyd, chairman of Airbus North America, said that the government loans are not subsidies, and that Airbus will repay them. He also defended Europe's backing of Airbus: "Aviation is a high-tech industry and the Europeans believe, as does the U.S., that the standard of living of their people depends on their ability to move forward on high tech."

Meanwhile, John McDonnell, a relaxed, bearded St. Louis native, offered some conciliatory words to his European competitor. "It would make sense long-term for Airbus and us to do some things together," he said. "We have a complementary product line and a dominant competitor."

McDonnell Douglas and Airbus have, in fact, held aborted joint venture talks in the past. Some analysts suggest that if MD-11 sales falter, McDonnell Douglas might decide to renew those efforts. For the moment, though, the company is betting that it can win in the air.



McDONNELL'S OTHER LEGS ARE A LITTLE WOBBLY

ST. LOUIS In the early 1980's, McDonnell Douglas could absorb the losses of its commercial aviation business because revenues and profits in its biggest business — military contracting — were booming.

In 1986, however, revenues from military contracts were flat and profits fell, thanks to a slowdown in arms spending and two large write-offs. McDonnell makes the F-15 and F-18 combat aircraft, cruise missiles and Apache helicopters.

Making matters worse, McDonnell's Information Systems Group — which company officials once hoped would hit \$4 billion in sales by 1990 — lost \$69.7 million last year on sales of \$1.19 billion.

Over all, the company's profits dropped to \$549.9 million from \$623.6 million in 1985. Many analysts predict that McDonnell will lose out when the Navy and Air Force grant their huge contract awards on the next generation of combat aircraft. The competition for the contracts is taking place between teams of contractors. McDonnell is teamed with Northrop in the Air Force bidding, and with General Dynamics in the Navy contest.

"On the Navy's advanced tactical aircraft, they're competing against Grumman, and Grumman is the Navy's darling," said Joseph F. Campbell, an analyst with Paine Webber.

If Grumman and its partner, Northrop, win the Navy contract, the Air Force may then be reluctant to award its fighter contract to McDonnell and Northrop because that would give Northrop a disproportionate share of the contracts.

If McDonnell strikes out on both awards, its military business may not grow, but its revenues should be at least stable through 1995 because of a steady stream of F-15 and F-18 orders.

And last month the Air Force selected McDonnell to build \$1 billion in rockets to launch satellites. Because of the shortage of launching vehicles resulting from the Shuttle disaster, McDonnell is expected to use this award as a springboard to land commercial satellite-launching contracts.

In information systems, the company is still trying to break even. In recent years, McDonnell, which already had considerable expertise with computers, bought Tymshare and other computer companies, hoping to become an information systems powerhouse. But when the computer market went flat, McDonnell suffered large losses in that arena. In the past year, it spent more energy paring costs in the division than trying to grow. "Any time you try to expand in a major way you're going to have some problems doing it," said John F. McDonnell, the company's president.

The Economy

WEEK IN BUSINESS

Piedmont's board is seeking any and all suitors. USAir started the bidding war by offering \$68 a share in cash and stock. Then Norfolk Southern offered \$65 in cash, and USAir came back with an offer of \$71 in cash for half of Piedmont and \$73 a share in cash and stock for the rest. Norfolk said it would not match that offer, but Piedmont said it would entertain other offers. Analysts say a deal with USAir makes sense for Piedmont, because their air routes are complementary. They speculate that that Norfolk, a railroad company that holds about 20 percent of Piedmont, is interested more in the higher stock price a bidding war might bring than in actually acquiring the airline.

UAL changed its name to Allegis in hopes that it would change its image as the parent of United Air Lines. The company also has car rental, hotels and food services.

The Group of Seven industrialized nations is meeting this weekend in Paris in an attempt to stabilize world currency markets by establishing reference zones of trading for member currencies. The United States, which officially says the dollar needs to fall further, albeit in more orderly fashion, is expected to object to any measures that would halt that drop.

Japan cut its discount rate again, to 2.5 percent, a record low, under pressure from the United States. The dollar has fallen particularly hard against the yen, and officials want Japan to stimulate its economy even further to improve the trade balance. West Germany is also likely to agree to American demands for stimulation shortly after the G-5 meeting.

The economy grew just 1.3 percent in the fourth quarter, below the 1.7 percent originally reported and less than most analysts and economists had expected. The sluggishness was attributed to a cut in business inventories, an indication that this quarter will be better as companies restock. But few are predicting any great spurt, and Paul A. Volcker, the Fed chairman, agreed that growth was likely to be held to between 2.5 and 3 percent for all of 1987. ... Housing starts fell two-tenths of 1 percent in January, a better performance than most analysts had expected after a banner year in 1986. ... Industry operated at 79.7 percent of capacity in January, up slightly. ... Personal spending fell a record 2 percent, although income remained stable.

Stocks soared — again. With a record 54.24-point spurt on Tuesday, the Dow industrials began a climb that left it at a record 2,244.08, before falling back Friday. Still, it finished at 2,235.24, up 51.89 for the holiday-shortened week. Traders seemed to be grasping at any reason to bid prices higher, despite the insider scandals.

The Big Board told its members to tighten their procedures to try to reduce the number of securities violations. The rules require member firms to review internal supervision, report all customer complaints and certify that employees have not violated securities laws.

Dennis B. Levine was sentenced to two years in prison and fined \$382,000 for his role in the scandal. Mr. Levine is cooperating with prosecutors, and that reduced his sentence.

Robert Foman is giving up day-to-day management responsibilities at E. F. Hutton. Although he will retain his title of chairman, most of his duties will be transferred to Robert P. Ritterleiser, the chief executive.

Miscellaneous. Irwin L. Jacobs renewed his bid for Borg-Warner, threatening a tender offer if a merger pact is not reached. ... J.C. Penney is beginning a home TV shopping service. ... Martin Marietta pleaded guilty to defrauding the Pentagon of \$1.35 million. ... Alan Bond, the Australian financier, admitted making misleading statements about the value of securities of his Hong Kong unit, and trading was suspended there.

Sanctus was bailed out by the F.D.I.C. and a merchant banking group in an unusual arrangement that gave the merchant group control of the bank's loan portfolio and assets. The move allows the F.D.I.C. to help banks at a lower cost to the insurance fund.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED FEBRUARY 20, 1987 (Consolidated)					
Company	Sales	Last	Net Chng	Standard & Poor's	
Navistar	12,928,600	7 1/4	+ 1 1/4	400 Indust	327.1 317.4 +0.01
AT&T	10,699,300	23 3/4	- 1/4	20 Transp	231.7 225.5 +0.58
Sears	9,340,000	53 1/2	+ 5/4	40 Utilis	120.1 117.7 +2.39
Texaco	8,293,200	34 1/4	- 1/4	40 Financial	31.4 29.9 +1.28
IBM	7,705,900	139 1/4	+ 5 1/4	500 Stocks	287.5 279.7 +0.78
Gen El	6,427,300	101	- 2 1/2		
Hewlett	6,013,400	51 1/4	- 4 1/2		
Ahms	5,968,900	25 1/4	+ 2 1/4		
ICN	5,654,300	17	- 5 1/4		
Ford M	5,317,300	77 1/4	+ 1 1/4		
Pied Av	4,910,900	70 1/4	+ 1 1/4		
Exxon	4,838,800	81 1/4	+ 3/4		
E Kodk	4,810,000	80	+ 1 1/4		
Coca Cl	4,687,500	45 1/4	+ 1 1/4		
Pepsi C	4,606,800	33 1/4	+ 2 1/4		

The American Stock Exchange MOST ACTIVE STOCKS WEEK ENDED FEB. 20, 1987 (Consolidated)					
Company	Sales	Last	Net Chng		
HomeShop	4,600,800	28 1/4	- 5/4		
Wickes	3,032,600	4	- 1/4		
BAT Ind	2,623,700	8-5/16	+ 3/4		
WestDigital	1,623,200	28 1/4	- 1/4		
LorimarTel	1,583,600	18	+ 1/2		
WangLabB	1,556,700	15 1/4	- 3/4		
ICH	1,445,000	22 1/4	+ 7/8		
Entk	1,381,700	13	- 1 1/2		
Amdahl	1,295,500	36 1/4	- 3 1/4		
TexasAirP	1,031,000	48 1/4	+ 2 1/4		

MARKET DIARY					
Advances	Declines	Total Issues	New Highs	New Lows	
1,224	725	2,183	418	22	
VOLUME					
(4 P.M. New York Close)	Last Week	Year To Date			
Total Sales	763,309,050	6,712,356,468			
Same Per. 1986	629,545,680	4,954,265,581			

WEEK'S MARKET AVERAGES					
High	Low	Last	Change		
New York Stock Exchange	194.0	190.2	192.4	+3.84	
Transp	138.7	136.8	138.2	+2.30	
Utilis	78.2	77.2	78.2	+1.00	
Finance	162.8	158.2	162.6	+5.10	
Composite	183.4	180.6	182.8	+3.28	

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Exorcise Reykjavik

To go beyond their Iceland summit meeting, Ronald Reagan and Mikhail Gorbachev have to treat to where they were before that fateful meeting. Reykjavik now blocks the way to useful arms limitations with grand illusions about space-based defenses and a world without nuclear weapons. Reagan officials and critics share that view: a summit that turned into a nadir.

In both countries now, experts talk about how to get back on the more modest, sensible track available before Reykjavik. The first step will have to come from the two leaders. That shouldn't be hard, for their own, differing interests lead precisely in that direction.

Before Reykjavik, the superpowers were verging on an agreement sharply to reduce offensive forces in return for reaffirming certain limits on defenses. At Reykjavik, perhaps carried away by the moment, Mr. Reagan proposed eliminating all ballistic missiles. Mr. Gorbachev, perhaps seeing a propaganda opening, countered with the idea of destroying all nuclear weapons. Surprisingly and regrettably, Mr. Reagan assented in some fashion.

The Pentagon's arms control expert, Richard Perle, rightly calls this "the foolishness of a nuclear-free world." In such a world, he said in a recent speech to European leaders, it would not just be very difficult to verify total elimination, but impossible. Now, when both sides have thousands of nuclear weapons, cheating means practically nothing. In a world without them, even a little cheating would be decisive.

Moscow now appears to realize that the idea won't fly. Soviet officials privately propose to destroy all nuclear weapons except 100 intermediate-range missiles plus tactical or battlefield nuclear weapons, which eventually would be eliminated as part of negotiations on conventional-force reduction. But even these modifications do not much answer the objections. Successful cheating to retain some long-range nuclear weapons still would prove critical. That Moscow continues to press these schemes raises questions about its seriousness.

Mr. Reagan, meanwhile, needs to backtrack on

his idea, eliminating ballistic missiles. That would leave only bombers and cruise missiles. The United States has only a few hundred operational strategic bombers, and they would be highly vulnerable to a surprise attack by "illegal" ballistic missiles. As for sea-launched cruise missiles, they would have to be fired from near Soviet shores, where our submarines would be in danger of detection.

An equal obstacle is Mr. Reagan's vision of space-based defenses, or "Star Wars." He seems to possess the remote possibility of rendering nuclear weapons "impotent and obsolete" that he ignores Moscow's offer to cut its nuclear forces in half now. At Reykjavik, he agreed to delay "Star Wars" deployments for 10 years. That needs to be reaffirmed, and contrary to Mr. Reagan's new instructions and Soviet attitudes, the two sides have to get down to talks about what kind of research should be permitted in the interim.

As former Defense Secretary James Schlesinger writes in Foreign Affairs magazine, Mr. Gorbachev "blundered in failing to seize upon the President's acceptance" of strategic disarmament, thus making the summit only "a near disaster." But at this point, both men have good reason to put that meeting behind them.

Mr. Reagan knows he cannot monitor a nuclear-free world or trust Moscow to observe it. He knows the allies won't put up the money to establish a balance of nonnuclear forces. He knows Congress and the allies strongly oppose his grandiose ideas. And in this season of crisis, he cannot fail to realize how much good an arms control breakthrough would do his political and historical standing.

Mr. Gorbachev has scored his propaganda points. He also seems to realize that Mr. Reagan, hero of the right, is uniquely qualified to deliver an American arms control consensus. If the Soviet leader wants an arms pact that can free resources for the Russian economy, now is the time to offer realistic proposals.

It's time to get back to the future, back before illusions, back before Reykjavik.

The Debate Debate

On one side, dignified but furious, stands the League of Women Voters, "governess of the nation," as the columnist Mary McGrory once called it. For the last three Presidential elections, it has sponsored televised debates. On the other side, in rare unity, stand the Republican and Democratic parties. Cigars and suspenders have yielded to tailored suits and aviator glasses but still they are cast as old-fashioned heavies — trying to muscle the good-government ladies out of the way and take over sponsorship.

Which side is right? At the moment, neither. The right debate sponsor will be whichever organization best guarantees that the public gets to hear out each of the important candidates, even when there are more than two of them.

The debate over the debates turns on two facts: Three of the last three Presidential campaigns included televised debates, even if not always under ideal conditions, but debates nonetheless, powerful instruments of public education, which had previously occurred only in 1960.

Four of the last six campaigns have seen a third-party candidate play an important role — George Wallace in 1964, 1968 and 1972 and John Anderson in 1980.

Fastening on the first of these facts, the Democratic and Republican Parties last week announced a commission to sponsor the 1988 debates. The important thing, party officials said, is to institutionalize the debates — and the parties have the clout that the League lacks to impel candidate participation. The League fastens onto the second fact. It accuses

the parties of trying to steal the debates and to squelch third-party candidates. The League, independent, says it can assure their participation. Neither side makes a persuasive case.

The League is not as independent as it claims. In 1980, it courageously gave John Anderson a platform, once, and then caved in to President Carter's demand that Mr. Anderson be excluded. The parties, meanwhile, make no secret of their hostility to outsiders. "As a party chairman," says Paul Kirk of the Democrats, "it's my responsibility to strengthen the two-party system."

A reasonable way to protect such candidates would be for prospective debate sponsors — whether the League, the parties, the television networks or others — to issue guidelines or ground rules. These should cover among other things the criteria for including third candidates. Decisions might turn on objective popularity as measured by polls and on the subjective judgment of a blue-ribbon board.

There's a big difference between splinter parties representing extremes of the spectrum and a third candidate running in the two-party mainstream. No one remembers George Wallace's contrived American Independent Party; he appealed to Democrats and Republicans who agreed that there was not a dime's worth of difference between the parties. No one remembers the National Unity Party; John Anderson's candidacy was significant because it, too, said None of the Above.

Such expressions of public temperament are worth hearing, testing and protecting. To deny them a place on the debate platform is, in this TV era, to deny them the chance to be taken seriously.

Topics

Longer and Wronger

True Progress

From the day Thomas Edison first recorded sound 100-odd years ago, man has had to exert himself to listen. When the music stops, someone has to turn over the record or change it. Music lovers over the age of 40 grew up on 78's that played only four and a half minutes.

Then, after World War II, came the long-playing record, with 30 minutes to a side, along with record changers on which the LP's could be stacked. This was indeed progress, but one still had to get up every once in a while.

A few years ago, compact discs arrived. Ninety minutes, uninterrupted. It seemed perfect, maybe even a bit much. Real concerts have intermissions that allow one to stretch one's legs.

Well, sit back. Now there's a CD changer that goes nonstop for 6 1/2 hours! Not that anyone will listen for two and a half days; rather, with electronic selectors, the listener can pick and choose among all those hours of

recordings — sort of an armchair super-Wurlitzer.

It's nice that gadgeteers think of customer convenience. It might be nice still if this thoughtfulness didn't make each new gadget instantly obsolete. That's no problem for a gleeful co-worker, an opera buff. Now, he says, he can hear Wagner's entire four-opera "Ring" at a single sitting.

True Fat

Concern about osteoporosis, a crippling bone disorder that afflicts mainly elderly women, has spawned a cynical campaign by the dairy industry aimed at teen-age girls.

Studies show that calcium deficiency is not a factor in most cases of osteoporosis. But increasing calcium intake during adolescence, experts say, can help build a heavier and denser skeleton that is more resistant to the bone-wasting disease. That can be done wisely by choosing foods like skim milk and spinach that

are calcium-rich but low in fat.

An eye-catching new pamphlet being distributed nationwide in supermarkets by the National Dairy Board endorses the worst in teen-age eating habits. In a near parody of bad diet, the "Teen Guide" urges increased consumption of high-fat, high-sodium snacks. "Walking around the mall," the dairy group counsels teen-agers, "order milkshakes, double cheeseburgers, pizzas, and salads topped with cheese."

Such an artery-clogging diet will indeed provide ample calcium. But, as our colleague Marian Burros warns, as regular fare it can also condemn adolescents to lifetime bouts with obesity and high blood pressure. A large milkshake alone can contain as many as a thousand calories, 11 grams of fat and 300 milligrams of sodium.

The dairy industry can't be blamed for seeking to boost sales. But it can be blamed for pushing baldly erroneous health advice on vulnerable youngsters.

Letters

Social Security Expresses a Rich Nation's Conscience

To the Editor:

I take strong exception to "When Social Security's Anti-Social" (editorial, Feb. 8), which advocates full taxing of Social Security benefits to raise revenue for deficit reduction. While you claim this would affect only affluent retirees, in reality the proposal would have a serious impact on millions of low-income pensioners and would do nothing about the deficit in the general fund of the Treasury.

First, you ignore that Social Security is a solvent, self-sustaining system. It is not involved in the present deficit. Indeed, quite the opposite: the \$46 billion reserve in the trust fund helps keep the Federal deficit from soaring even higher.

You also fail to realize that this proposal would have its greatest impact on low- and moderate-income retirees — a group now struggling to maintain some degree of economic security, particularly in the face of ever-increasing medical expenses. The impact of this scheme on a single retiree with \$5,000 of Social Security income and \$5,000 of other income would be a \$645 tax increase — a tax increase that for people on fixed incomes would be devastating.

Finally, you overlook the rationale behind the present rules governing the taxation of Social Security benefits. The 1983 Social Security Amendments sought to protect low- and moderate-income retirees by taxing a portion of benefits only for those with incomes exceeding \$25,000 for single and \$32,000 for married Social Security recipients. Half of benefits are taxed to acknowledge that employers pay half of the payroll tax through which benefits are financed, while workers already paid tax on their contributions.

The Social Security system is not a subsidy for the older population. It is

an intergenerational program that provides benefits not only to retired workers, but also for disabled workers and their spouses, and to more than three million children who have lost income because of the death or disability of a working parent. Maintaining Social Security is hardly neglecting a whole population's vital interests. What is a decent future for a rich nation if not the economic security of our country's disabled, survivors and retired workers?

CYRIL F. BRICKFIELD
Executive Director
American Assn. of Retired Persons
Washington, Feb. 10, 1987

Raise Taxes Instead

To the Editor:

"When Social Security's Anti-Social" left me baffled for a moment. Was this The New York Times or some far-right publication?

You try to create the impression that Social Security recipients are an affluent group living off a struggling working generation. Those of us now receiving benefits were only recently part of a working generation that helped pay benefits to previous workers, and future workers will pay for today's wage earners. The assertion that the current generation is "picking up the tab" with a 15 percent payroll tax is clear deception. I'm sure you are aware that a worker's contribution is 7.15 percent, which is matched by the employer. The very idea that Social Security recipients must somehow be responsible for the acquisition of more land for national parks, the retraining of workers displaced by imports or the protection of South Africa's neighbors from economic collapse is the sort of reasoning that defies logic.

Social Security is a self-sustaining

program and perhaps the only Government program operating in the black. Let those who proposed a 25 percent tax cut that mostly benefited the wealthy and an accelerated weapons buildup find the solution. Social Security did not create the deficit. Let them have the courage to reimpose higher taxes on high incomes and abandon forever the idea that the burden must be borne by the weakest shoulders.

MARIO LEBANO
Brooklyn, Feb. 9, 1987

Adopt Pension System

To the Editor:

In making your case, you failed to make clear that, from its inception in 1935, the Social Security system was intended to be a financial plan for "transfer payments." It was never conceived as an insurance system with fully funded reserves adequate to meet its actuarial benefit requirements. It does not run on "funny money," as you assert. But it is a sound system under which each working generation finances the benefits for its elders.

To have placed Social Security on a fully funded insurance basis would have compelled a drain of personal savings and capital accumulation into the Social Security Trust Fund in such large amounts as to disrupt the flow of capital in the American economy.

For tax purposes, let's put Social Security benefits on the same basis as private pensions and Civil Service annuity payments — that is, tax free until the full amount of employee contributions have been returned; thereafter fully taxable at whatever tax bracket the retiree's total income places him.

EDGAR B. YOUNG
Sanibel Island, Fla., Feb. 10, 1987

A Jonathan Swift

To the Editor:

Your Social Security editorial gave me a feeling of déjà vu. The Social Security Amendment Act of 1977, created by President Carter and a Democratic Congress, was supposed to stabilize and perpetuate the solvency of the Social Security Trust Fund until the 21st century, by creating two classes of Social Security recipients. The infamous "notch" into which all those fell who were born between 1917 and 1921 has created an inequity. This inequity costs millions of us now receiving Social Security anywhere from \$70 to \$100 monthly, and if a spouse is included, the loss may be as much as \$150 monthly.

Where is this money that we "notchers" are contributing? Does it buy a hole in the ground for an MK missile? Does it pay for \$650 toilet seats? What is so magnificent about a system that permits 12 1/2 percent of its elderly to live in poverty? And where do you get the statistic that the average retiree has a higher annual income than the average worker?

A modest first step to treat Social Security income as ordinary income? A modest proposal to help balance the budget at the expense of all retired people, rather than enacting an equitable tax for everybody and closing some of the loopholes? Jonathan Swift, arise!

DAVID PORT
Cranbury, N.J., Feb. 10, 1987

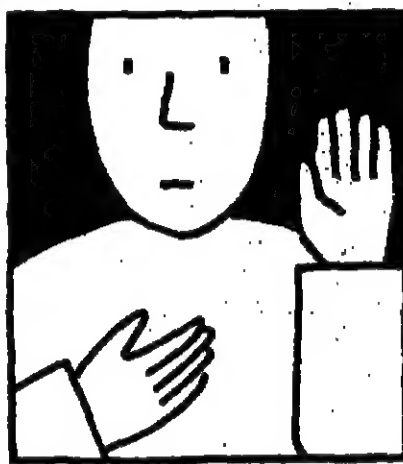
Believers Have No Monopoly on the Truth

To the Editor:

Your report on the wave of bomber-jacket thefts in Newark (Feb. 6) quoted a police detective as asking robbery victims, "Do you believe in God?" as part of the process for swearing their complaints. I am writing to point out the gross inappropriateness of that procedure.

Legal and moral experts have long realized that there is no relationship between a witness's belief in God (or willingness to express such a belief) and his or her truthfulness or credibility. Despite this, such questioning remains common. Last year, the New York Court of Appeals was required to reverse a murder conviction obtained at a trial in which the prosecutor was permitted to ask a key defense witness questions of this nature. It was therefore troubling that the Newark police ask a question on religion. What do the police do when an otherwise credible complainant who happens to be a non-believer gives a negative answer to the question of belief?

Those who fight for the separation of church and state are often accused of overreacting to minor involvements of religion in government institutions, and indeed many of their objections



can be trivial. However, it is easy to understand these objections when one sees the routine "So help me God" often added at the end of oaths — and defended on the ground that it adds a solemn, not religious, context to the oath — transformed into an overt government expression of the bigoted view that only believers should be believed.

IRA BRAD MATETSKY
Baldwin, L.I., Feb. 10, 1987

Much of What Wall St. Does Benefits Shareholders and the Public

To the Editor:

In view of recent shenanigans on Wall Street, it's hard to disagree with A. M. Rosenthal ("Wall Street Worries" column, Jan. 31) that there seems "a difference of ethical standards between what Americans have been taught at home and in school... and what Wall Street is doing, every day." Still, anyone who has thought seriously about the activities he finds reprehensible should take issue with much of what he says.

Under the guise of concern about Wall Street's falling ethical standards, Mr. Rosenthal condemns not only insider trading, but also greenmail, golden parachutes and leveraged takeovers. Much of what he decries, he says, is not illegal; nevertheless, he implies, it is repugnant and unethical. In his mind, "the issue is that Wall Street every day practices what the people believe is just plain wrong."

But what is unethical or "just plain wrong" about practices such as golden

parachutes and leveraged takeovers? Executive employment contracts that include change-of-control provisions have been commonplace for years. When properly drawn, such arrangements can encourage executives to behave in ways that serve the interests of corporate shareholders.

Whether the growth of leveraged takeovers is good or bad for the American economy is well worth debating. But let's not debate it primarily on ethical or moral grounds. Mr. Rosenthal protests that the junk bonds associated with these takeovers "are often simply a tricky financial arrangement to get a lot of other people's money, target a company, buy it, sell it off and sock huge profits away." However, they are no more "tricky" than many other commonly used financing techniques.

And what is so inherently evil about borrowing money and, through a restructuring of a corporation's businesses and assets, making a profit?

Such behavior could well promote the public good by reallocating resources for a higher value to society.

Mr. Rosenthal notes that "if the public turns in wrath the result might be a batch of regulations and laws that will hurt... the swindlers and the decent alike." What he appears not to have considered fully is that intemperate broadsides such as his tend, if anything, to encourage this outcome. Indeed, it would not be surprising to find his article entered into the Congressional Record to support legislation he appears to fear.

If Mr. Rosenthal really wants to perform a public service, he would do well to write less about the gap between what's right and what's wrong, and to think more about whether particular legal practices are actually all that wrong.

RICHARD R. WEST
New York, Feb. 3, 1987

The writer is dean of the Graduate School of Business Administration at New York University.

How We Can Encourage Gorbachev's Changes

To the Editor:

The recent steps toward greater internal freedom in the Soviet Union are so significant that even Andrei D. Sakharov expresses the view they represent a fundamental change (news story, Feb. 12).

Yet the prevailing reaction of American commentators to moves that would have won universal praise just a few years ago has been to warn that we should not yield our applause to partial measures. The tone of some of these assessments is that we must never accept as genuine progress anything less than the Soviet political system's becoming a duplicate of ours. Such views are not only unrealistic but also counterproductive to their authors' declared purposes.

Plainly, as long as the Soviet Union holds even one prisoner of conscience, that is one too many — and we should not hesitate to say so. But just as plainly, Mikhail S. Gorbachev

will not continue on his present course over substantial internal opposition unless he sees some gains. Whatever the Soviet leader's personal desires, Soviet hard-liners will not permit him to do so.

What our foreign policy needs is a measure of moderation and predictability. We should make clear that particular reforms will be met with particular concessions, further reforms with further concessions.

If our response to this historic moment is instead to insist on all or nothing, we are likely to wind up with nothing.

ERIC M. FREEDMAN
New York, Feb. 13, 1987

Condom Industry Ads

To the Editor:

With regard to the problem of advertising condoms on television, it could be important to have public-service advertisements advocating condom use.

A completely different issue is whether competing brands need to be advertised. The use of condoms is important; specific brands are of no public consequence whatever.

If government agencies don't want to sponsor such ads, the industry itself could produce general ads, like those of the citrus, milk and cotton industries.

S. STEALINGWORTH
New York, Feb. 10, 1987



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WASHINGTON
James Reston

The Changing Guard

A big change has come over Washington in the last few weeks. People are beginning to talk about the Reagan Administration in the past tense. The reporters are still running around like blind dogs in a meat house, but almost everybody else seems willing to leave the recent White House scandals to the investigators, the historians and the psychological novelists.

Suddenly, a lot of officials have discovered that they want to spend more time with their wives and children. President Reagan says quietly and almost evasively that he won't stand in the way of anybody who wants to go home, and a lot of people are taking him up on it.

Pat Buchanan has decided he doesn't want to run for President after all, maybe remembering that the last Buchanan we had in the White House wasn't very happy. Other official cheerleaders are packing up. The President hasn't had a news conference since the explosion, but he has a new press secretary and so does Vice President Bush. Richard Perle is leaving the Pentagon to concentrate on fiction, which is no big change.

There has been an outbreak of amnesia here since the turn of the year. Everybody agrees that something went wrong on the way to the Iranian "moderates" and the Nicaraguan "freedom fighters," but few can remember exactly what happened and those who can aren't talking.

But despite new poisonous disclosures every week, it doesn't seem to matter now whether the President knew or didn't know what Colonel North and Admiral Poindexter were up to in the basement of the White House. There is general agreement here that Mr. Reagan was deceiving Congress if not breaking the law, and that knowing or not knowing, it was a disgrace.

Everybody is embarrassed: George Shultz to discover that the White House was running a secret foreign policy behind his back; chief of staff Regan to discover he didn't know what his staff was doing; the Congress to discover that intelligence oversight committees were bypassed, and the press to discover that it had been scooped on the

People here are talking in the past tense.

biggest scandal since Watergate by an obscure magazine in the Middle East.

What hurts here is not primarily what Washington doesn't know now, but what it has known and ignored or minimized for a very long time. It has known since the beginning of this Administration that the President delegated more authority to his squabbling Cabinet and staff than any other President in memory.

Ever since the secret mining of the Nicaraguan harbors and the air raid on Libya, it has known that the Administration was engaged in covert operations without informing Congress, and was conniving with private gunrunners to arm the contras and overthrow the Government in Managua, where it maintains "diplomatic relations."

It was not, however, until it was discovered that the Administration was shipping arms to the terrorists in Iran and sneaking the profits to the contras that the whole squalid business was exposed. As one senator complained: "It was like finding that John Wayne was selling liquor to the Indians."

At first, it was thought that maybe these blunders were the result of the President's casual if not careless administrative procedures, carried out by zealots who thought they could defend democracy abroad by defying it and corrupting it at home.

It was only later when the Congress began to examine the mindless and ill-prepared Reagan nuclear arms negotiations with Mr. Gorbachev at Reykjavik that it was realized that the President's shallow knowledge of the facts and his feeble grasp of the possible consequences began to seem not only reckless but dangerous.

For a time, the Administration hoped that these mistakes would recede in memory and that the President's popularity and guileless affability would carry him through, but this has not happened—at least not yet.

The Administration still seems stunned and bewildered, not knowing quite what has happened or what may happen tomorrow as the investigations proceed under the scrutiny of a Democratic-controlled Congress.

The human tragedies are painful and the unraveling process will no doubt go on, but there are consolations. The demonstration is correcting the procedures of the National Security Council, and the Congress is reviewing the policies that have led to such deficits and mistrust at home and abroad.

Fortunately this crisis has come at the threshold of a new Presidential election campaign. Unfortunately neither Governor Cuomo of New York nor Senator Sam Nunn of Georgia will be in the race. But the people will have a chance to consider the candidates' character and experience, the procedures by which they are chosen and the regulations of the 200-year-old Constitution under which they are supposed to serve.

By David Aaron

The Event. That is what the Soviet Embassy called the recent three-day meeting in Moscow. I was invited by

Georgi A. Arbatov, director of the Institute of the U.S.A., to discuss arms control and "the new thinking" in the Soviet Union. A hundred or so others were invited. Mikhail S. Gorbachev would meet with us. They would reimburse me. I accepted.

The State Department was worried that the meeting would undermine America's position on arms control. It needn't have. "The Event" turned out to be a three-day pro-amateur celebrity arms control conference whose main purpose was domestic—to show the Russians that Mr. Gorbachev could command a global audience and thus enhance his ability to carry out proposed internal reforms.

At Kennedy airport, a ticket agent said, "It seems everybody's going to Moscow today." Changing planes in Frankfurt, I met the C.E.O. of a major defense company, Norman Mailer and Kris Kristofferson, the actor. I learned that Pepsi-Cola's Donald Kendall and Occidental Oil's Armand Hammer were already in Moscow. At the Moscow airport, the V.I.P. lounge was a madhouse. All the heavyweight arms control experts were there: Marcello Mastroianni, Claudia Cardinale, Yoko Ono.

The hotel is chaotic, the schedule opaque: "10 A.M.—Discussion begins." Then there are 12 more entries that state "Discussion continues." For Monday, the schedule says, "An address by General Secretary Gorbachev is anticipated."

We are broken into groups. The arms control meeting begins with a Soviet attack on America's good faith in negotiations and President Reagan's Strategic Defense Initiative. Unaccustomed to defending the Administration, I still feel compelled to

David Aaron served as deputy national security adviser in the Carter Administration.

suggest that the Soviet Union could make a major contribution to good faith by adhering strictly to the Anti-Ballistic Missile Treaty. Moreover, in the spirit of "glasnost"—openness—the Russians should also tell the world about their own strategic defense program, which is at least the equal of the United States' program. In reply, Mr. Arbatov criticized me for not being serious.

At the group devoted to "new thinking," a Soviet speechwriter observes that the class struggle provides no guide for handling the novel threats of nuclear war and the destruction of the environment. He pleads for more new thinking. He is followed by an aging Vietnamese who denounces imperialism. After a day of stupefying and wool-gathering comments, an American participant reports that "the new thinkers are on the brink of a conceptual breakthrough."

I go with Mr. Kristofferson to an office where he is to be interviewed by the Foreign Ministry spokesman, Gennadi I. Gerasimov. Mr. Gerasimov attacks Mr. Kristofferson for his role in the television docu-drama "Amerika." The actor replies that he took the part to give himself greater credibility to speak in favor of improved American-Soviet relations. Mr. Gerasimov is not satisfied and presses for an apology until a member of our group points out that whereas "Amerika" is commercial fiction the Soviet media are spreading the story that AIDS was invented by the Central Intelligence Agency to destroy black Africa. Mr. Gerasimov changes the subject.

Mr. Gerasimov also invites us for dinner. It is sumptuous. Afterwards, he gives us the check.

The conference runs on rumor. We learn that Andrei D. Sakharov, the recently freed Soviet dissident, is

Celebs all over the Kremlin.

Gorbachev gives a parley to help himself.

speaking to another arms control group across town. We are not allowed in. We discover that even in Moscow there are two classes of participants. We cajole friends and contacts. An adviser to Gary Hart observes that our efforts have all the dignity of trying to get backstage at a Rolling Stones concert. Clusters of TV cameramen rush by as people shout, "There goes Sakharov!" "There's Gore Vidal!"

Back at our own meeting, we discover that the full name of our conference is The International Forum for a Non-Nuclear World to Safeguard the Future of Mankind. The discussion has become even more soporific. I skip a concert featuring Michele Legrand to watch a film on Chernobyl. It is a powerful, candid and genuinely moving documentary of incompetence and heroism. The moral is that with hundreds of nuclear reactors in East and West Europe there can be no such thing as a conventional war. The narrator says, "The destruction of Soviet reactors would destroy all life in Europe, North Africa and parts of Asia."

The next morning, we all assemble to hear Mr. Gorbachev. A thousand of us from 80 countries are led through the inner sanctum of the Kremlin toward the Chamber of the Supreme Soviet. Mr. Gorbachev is preceded by conferees who summarize our discussions.

Lowest point: A Harvard Nobel Peace Prize winner reporting that a woman recently told him that "when I think of peace, I think of Gorbachev."

Highest point: The Princeton physicist Frank von Hippel saluting

Mr. Sakharov and telling Mr. Gorbachev that his emphasis on democratization, if realized, could be his greatest contribution to easing the threat of nuclear war.

Strangest point: The author Graham Greene proclaiming that Roman Catholicism and Communism had become allies and urging Mr. Gorbachev to name an ambassador to the Vatican. Mr. Greene was the only reporter to receive an ovation before he spoke and virtually nothing afterward.

Mr. Gorbachev proved an anticlimax. The Soviet Union had hinted that the whole purpose of the conference was to hear him announce a major new arms control initiative, but nothing happened. In fact, he greeted the audience at three different places in his speech, a sure sign it had been cobbled together from different drafts.

He appeared vigorous and persuasive in his commitment to new ideas and reform. At one point, he even warned that social pressures throughout the world could lead to an explosion that would destroy civilization. That really had the traditional Marxist revolutionaries in the audience scratching their heads. As for arms control, his remarks added up to a traditional assertion of Soviet good faith and a plea for trust.

As the plane lifted off on Monday, I reflected on the surreal experience. It seemed clear that the real purpose of the conference was not to disarm the superpowers but Mr. Gorbachev's domestic opponents. The gathering also demonstrated that major efforts for change are under way in the Soviet Union but equally that the Soviet Union has a very long way to go.

As for arms control, scientists on both sides had done useful work in narrowing differences on nuclear test verifications and limiting space systems. The Western Europeans had hammered home the fact that Soviet conventional arms superiority made their proposals for a nuclear-free world a trick. But real progress in controlling nuclear weapons will require more than a celebrity-studded conference. For when all was said and done, the Moscow meeting was an exercise in disarmament chic.

ON MY MIND
A. M. Rosenthal

Breaking The Case

You know how it is, good help is hard to come by. So if you have a real job to do, you have to do it yourself, right?

It is the same in the newspaper business, take it from me. With all those young hotshot investigative reporters in Washington and all those inside-stuff columnists pulling down your wouldn't believe how much for lectures, you had to go out and break it yourself.

I did it the old-fashioned way at first, plenty of pavement pounding and doorbell ringing. It didn't actually get me any information but a lot of people insisted on placing orders for encyclopedia sets as soon as they opened the door, so if I can find the books it won't be a total loss.

Then I figured what I should do was forget footwork and use the old noodle, applying the wisdom obtained from decades of journalistic endeavor the world over. It worked.

Spies. Plain old-fashioned spies in the White House like in all those million-dollar novels. You think those fellows who turn in their security badges for word processors would get those contracts from Swifty and Mort if there was nothing in it? Maybe the spy was not the First Mother-in-Law or the head of the Secret Service like in the books but there certainly must be spies there.

It stands to reason. You seriously think Ronald Reagan, the President, would do such things all by himself if the White House didn't have a sizable lurk of spies in the place?

Come on, you think the President and his top National Security people would send missiles to the enemy, the kidnappers, the Iranians, for heaven's sake if they were not manipulated by a bunch of foreign agents? No way.

And get this, do you really believe this President would practically wipe out the whole contra movement by letting some light colonel divert, as we say, thirty or forty million dollars to them from the Iranian arms sales which they say they never got? Forget the Constitution. Just imagine the screaming that must be going on in Miami.

Where's the money, Pedro? What do you mean, you don't know? Alfonso,

The truth about Irangate.

you got it? No? You don't have it, Pedro doesn't have it, I haven't seen a nickel. Who's got the money? Mother Teresa?

Also, who but spies could figure out a lot of other weird plans that would put poor George Bush somewhere behind Ralph Nader in Republican Presidential polls? And make even old pals like Prime Minister Thatcher and President Mubarak so mad that they go around saying America Who?

Then I read in the paper that at the very time they set up a good outfit—the National Endowment for Democracy, which openly gives money for some fine freedom-minded projects abroad—some of the boys in the White House pasted up a cockamamie covert operation and went around winking. That managed to give the endowment and the people who believe in it a nice kick in the pants all right.

Spies. So then I had to figure out the modus operandi. If the White House spies planted phony documents and executive orders themselves there would be so many of them tramping around the place that Nancy would wonder who was wearing out the carpets.

No, there had to be some way that the spies influenced the President and the other patriotic men in the White House to take a big stick, bend over and whack themselves until they were black and blue, and do it every day. Yes, but how?

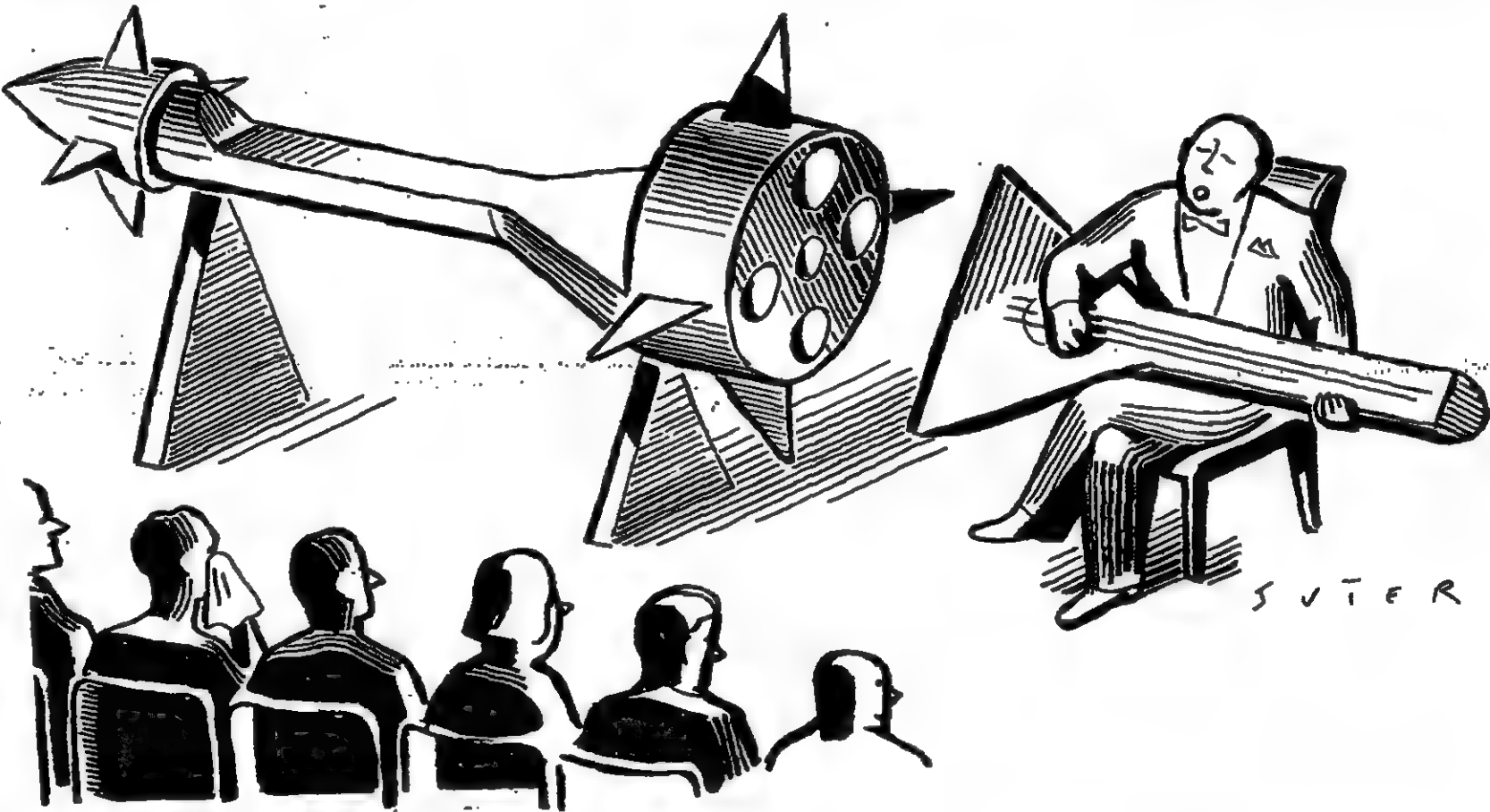
Abe worried hard, trying desperately to figure out what the President and all his aides had in common that spies could control. Subliminal hypnosis at national security meetings? Possible, but tricky given that some people were asleep at the beginning and others just staring out the windows.

I remembered a case I broke when I was a cub reporter. Tong was going on in Chinatown. I tracked it down to an irritable cook who put a powder in wonton soup dumplings that positively embonkarded all who slurped them down. It came to be known in annals of journalism as the Case of the Crazy Kreplach. But my investigations showed the White House mess never served wonton soup and anyway the President never ate there.

Oh, what could it be these spies were using to dominate our Prexy and his band? If only I could find out! Then, yesterday, starting sadly at a picture of the President making busy at his Oval Office desk, I gasped, whipped out my magnifying glass, and got it!

Jelly beans! What united our President and his staff, what did they all share every day? How simple, how diabolically simple.

The Libyan agents who injected the cuckoo powder in the beans are being rounded up in the Rose Garden at this very moment. And once more it is the free press to the rescue, this time in The Case of the Mad Munchies.



An Rx for Jobs Lost Through Mergers

By Robert O'Brien
and Richard Kline

The round of mergers, acquisitions, restructurings and leveraged buyouts has produced record profits. It has also produced enormous pain resulting from terminations, layoffs, plant closings and other disruptions. Simple justice suggests that these profits be taxed to fund an agency that could assist individuals and communities suffering as a result of merger mania.

High profits have been realized by financiers, arbitrageurs, stockholders and others, such as investment bankers and law firms who share in the take.

By one estimate, in 1985 more than \$139 billion was spent on mergers and acquisitions. Naturally, these funds were mostly borrowed, and were often financed by junk bonds.

However trashy the financing, the take is enormous. When the Wickes Corporation, which recently emerged from bankruptcy protection, sought to gain control of its former creditor, the Owens-Corning Fiberglass Corporation, the takeover failed. Owens staved off the bid by piling up a massive debt—\$2.6 billion—to buy its own stock back. Wickes, however, earned \$30 million during the two month takeover bid.

This scenario has been repeated, with variations, in industry after industry. So, too, has the following corollary scenario.

Owens-Corning, in response to its newly acquired and thoroughly unproductive debt structure, has been

Robert O'Brien is general counsel and Richard Kline is communications director of the Glass, Pottery, Plastics and Allied Workers International Union, which represents Owens-Corning workers.

forced to restructure itself. Actually, "restructuring" is an inappropriate word. The self-cannibalizing of Owens and companies like it that are involved in expensive attempts to fight an unwelcome merger radically changes the corporate landscape. Restructuring usually entails the sale of corporate divisions, the closing of plants and operations as well as company retrenchment.

While these maneuverings enable the purchaser of a company or the current management to meet the carrying charges of the company's now enormous debt load, they also permit managements to retain their rights, perquisites, salaries, salary increases, pensions and other substantial benefits.

Unhappily, the extreme actions that are necessitated by the merger and acquisition business injure sizeable groups of people, including whole communities, who are not afforded the protection that top management awards itself.

For example, Owens-Corning's decision to close its profitable Barrington, N.J., fiberglass insulation plant stems from the failed takeover bid. More than 800 people will lose their jobs. These people, salaried and hourly employees, union and non-union, and the communities in

Finance the institution with a 5 percent tax on takeover stock.

Create a bank to assist workers and communities.

which they live will be sorely pressed.

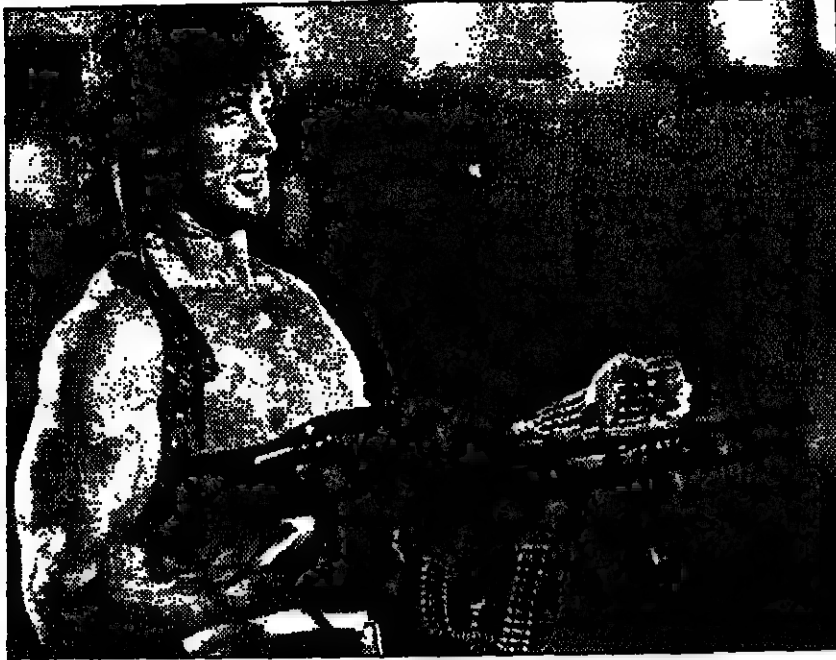
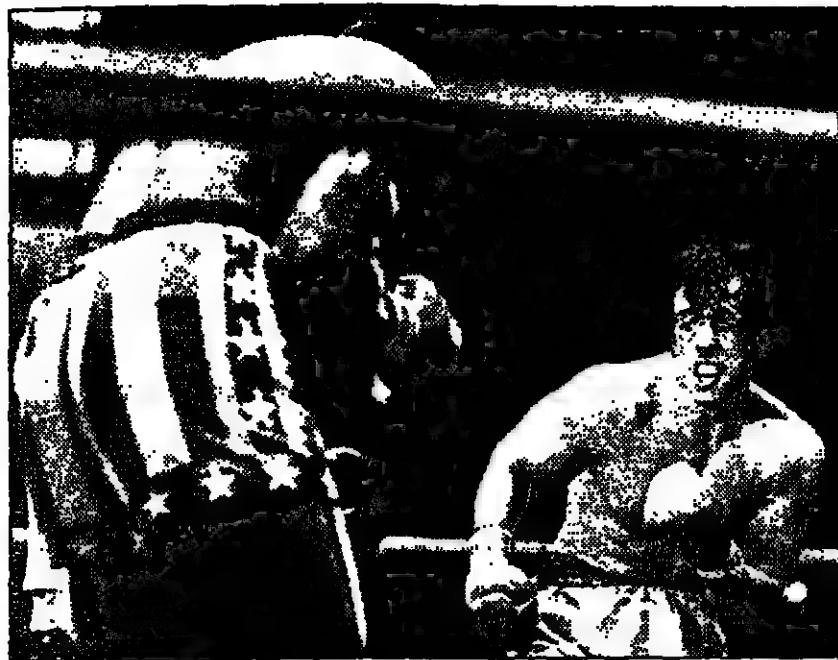
In Granville, Ohio, Owens has summarily dismissed hundreds of scientists, engineers and technicians at its research and development center—that is more than 50 percent of the staff.

In addition, Owens will also close its Jackson, Tenn., plant and is expected to lay off a third of the workforce at its remaining plants.

Ultimately, about 13,000 employees, hourly and salaried, will be cut from the pre-takeover bid workforce of 28,000.

Clearly, takeover strategies require reductions in capital investment. Such reductions harm a company and its employees. Reductions in research and development further weaken a company's future competitiveness. The combined loss of product lines, industrial plants and research also foretells trouble for the United States economy.

Unionized hourly employees have recourse under their contracts to collective bargaining on the issues of severance pay, continuation of benefits and related issues. The salaried employees, middle managers, scientists and technicians can speak for themselves or can hire a lawyer. For both the hourly and salaried employees at Owens, the future is cloudy.



The star as Rocky, Rambo and Lincoln Hawk—"virtually nothing this unreal in the whole history of American hero films," says a professor of psychology.

10 Years Into the Stallone Era: What It, Uh, All Means

By STEVEN D. STARK

There are many ways to assess movie greatness. If measured by box-office receipts alone, there's been nobody greater during the past decade than Sylvester Stallone, a.k.a. Rocky Balboa, John Rambo, Marion (Cobra) Cobretti and, most recently, Lincoln Hawk of "Over the Top."

Next month marks the 10th anniversary of "Rocky" winning the Academy Award for best picture. Since its release by United Artists, Mr. Stallone, by one estimate, has generated more than \$1 billion in worldwide box-office receipts, writing and starring in five of the 40 most popular films of the decade beginning in 1976 — the four "Rocky" movies and "Rambo: First Blood Part II."

While Mr. Stallone has been captivating audiences and wooed by the motion picture industry for more of his movies, he's made a career of appalling critics who have labeled his films, among other things, "stupid," "boring" and "empty." Why, then, in the estimation of those who have made a study of his career, is Mr. Stallone so popular with the public? What is it about his persona that makes him unique, and what will be his significance, if any, in film history?

Though Mr. Stallone has starred in other films during the decade, it has been mainly through the serial-like four Rocky and two Rambo films that he has struck a chord, with his melo-

dramatic portrayal of two similar, musclebound, inarticulate underdogs, who, through violence, earn the respect of a begrudging Establishment. "Rambo is really Rocky as an angry prisoner of war," said Art Murphy, a film industry analyst for Variety. "Both series basically involve the same character."

Yet scholars, like Dudley Andrew, professor of film studies at the University of Iowa, are beginning to say that Mr. Stallone will also be considered "a significant figure in film history" because of his influence on both cinematic technique and content.

Some film scholars also say Mr. Stallone has changed our conception of heroes over the last decade. "Stallone is an amalgamation of what we define as heroism in the late 70's and 80's," said Thomas Schatz, associate professor of communications at the University of Texas and the author of "Hollywood Genres." "There is a little John Wayne, a little Clint Eastwood. But it's very difficult to think of a precedent for him."

When asked to explain Mr. Stallone's place in film history, critics and scholars often begin with his role in re-establishing traditional values in movies. "In the 80's and early 70's — in films like Sam Peckinpah's 'Wild Bunch,' where the good guys were the bad guys — American films destroyed the old black hat-white hat dichotomy," said David Marc, an associate professor of American studies at Brandeis University. "During that era, American film was evolving to a

much more complex esthetic that satisfied intellectuals but disturbed ordinary filmmakers. By 1976, a lot of people had become alienated from films, and Rocky represented the great counterreformation."

Professor Marc is not alone when he suggests that the popularity of Mr. Stallone lies in his recognition that much of the public has always wanted movies featuring traditional heroes and predictable plots. Many scholars, for example, place Mr. Stallone squarely in the footsteps of John Wayne and Clint Eastwood, and say his heroes display much the same rugged, macho individualism as the old heroes of westerns. "In a sense, he embodies what we've always admired — a kind of physical strength, a visible inner intensity, a sense of self-discipline," says Professor Andrew.

As a screenwriter, Mr. Stallone has also proved adept at updating popular formulas for a new generation of moviegoers. Critics compared the first Rocky film's optimistic invocation of the goodness of ordinary Americans to Frank Capra's "Mr. Deeds Goes to Town," while Professor Schatz of the University of Texas credits Mr. Stallone with reviving the success of episodic serials, making the sagas of Rambo and Rocky this generation's version of Tom Swift or Flash Gordon. "I don't think there's ever been a person who's been in two concurrent series at the same time," added Mr. Murphy of Variety.

Still, students of Mr. Stallone's films say that because his persona embodies unique cultural themes of

the 80's, Mr. Stallone is different from predecessors like Mr. Wayne or Mr. Eastwood. There is, for instance, his defiant manner of speech, or better yet, nonspeech. Mr. Wayne's or Mr. Eastwood's characters — like the heroes of the old dime cowboy novels — were never known for their loquaciousness. But in "Rambo: First Blood Part II," Mr. Stallone utters a grand total of 163 lines in 93 minutes, delivered in the now-familiar, stumbling cadence that Prof. David Thorburn, director of film and media studies at M.I.T., says is "clearly associated with the urban or working class experience" that much of his audience shares. "It's a lot different from John Wayne, who embodied a sort of laconic masculinity," Professor Thorburn explained. "With Stallone, there's a hostility to speech, as if that were associated with a kind of intellectualism that has gotten us into trouble. Language is the enemy."

Then there's Mr. Stallone's well-developed, 5 foot 10 inch physique, the conditioning of which has assumed an increasingly larger role in his movies. Most Stallone films now feature an obligatory sequence — set to music and reminiscent of a rock video — in which a scantily clad Mr. Stallone works himself into shape. Film scholars can cite "muscleman" precedents — Johnny Weissmuller in the Tarzan films, Steve Reeves in "Hercules" and most recently Arnold Schwarzenegger — but few have carried it successfully to his extreme. "In a sense, all of Stallone's movies are about his torso," said Daniel Czi-

trom, associate professor of history at Mount Holyoke College and author of "Media and the American Mind."

"I think that it's also part of a carefully orchestrated appeal to his audience," said Jimmie Reeves, an assistant professor of speech and communications at Auburn University. "It's tied into the whole current obsession with the self, the body, the interest in aerobics."

Others note the violent nature of Mr. Stallone's heroes and the extent to which they struggle alone. Mr. Wayne was the proverbial leader of men; Mr. Stallone leads no one but himself. "The appearance of vigilante figures, like Chuck Norris or Stallone, for whom the solution is always an individual one, is characteristic of our age," said Professor Thorburn. "It's an angry reaction to a world that we cannot control."

In the process of returning movies to more traditional values, Mr. Stallone has, of course, gained detractors. Objections to the violence of Rambo, or the portrayal of the Soviets in "Rocky IV" are well-known. Others are not.

"What bothers me is the exaggeration of the fantasies he creates," said Douglas Kellner, professor of psychology at the University of Texas and author of a forthcoming book on the ideology of Hollywood films. "It was possible to be a John Wayne, but it's impossible to be a Rocky or a Rambo. There's been virtually nothing in this unreal in the whole history of American hero films. It's pure escapism, whose great appeal illustrates

just how frustrated a lot of people are."

Others criticize Mr. Stallone's politics. Mr. Czitron says that beneath the muscles and violence is "an appeal to sheer male power" that constitutes a repudiation of feminism. Mr. Marc suggests that both Mr. Stallone and President Reagan played similar, leading roles as catalysts in the country's swing back to traditional values — President Reagan in the world of politics, Mr. Stallone in the world of entertainment. "With Rocky, Stallone became the counterweight in movies to what in the Carter years was called the 'national malaise,'" Mr. Marc says.

Others, like Mr. Schatz, find similarities in the mass appeal of President Reagan and Mr. Stallone. "What makes Stallone so popular is that, like Reagan, he can reduce complex ideological issues to the kind of polemics that work well in storybook form," says Mr. Schatz. "And I think a lot of his appeal — like Reagan's — is due to his personality, not his politics. I think one of the keys to both Stallone and Reagan is that no matter how slippery the issues become, the audience can make contact with an individual who has a heart."

Both President Reagan and Mr. Stallone have encouraged the comparisons. Last year, the President invoked Rambo, first as an example of how to deal with terrorists, then, in the cause of tax reform. ("In the spirit of Rambo, let me tell you we're going to win this time," the President said.)

Arts & Leisure

Soviet TV Viewers See More

By ELLEN MICKIEWICZ

The televising of "Amerika," ABC-TV's mini-series about a fictionalized Soviet takeover of the United States that concludes this evening, has been a story closely covered on Soviet newscasts for several months. Last Monday, "Vremya," the Soviet nightly newscast, noting that the weeklong presentation had begun, showed film of protesters picketing outside ABC's New York studios. The anchorperson said that similar demonstrations had taken place at Yale University and in Chicago and other American cities.

The unusually intense interest in this event is representative of Soviet television's near-obsession with the United States; it also is the latest reflection of changes that have swept Soviet television, especially in the last year and a half. The look of the programming — through computerized graphics and snappier pacing — has become more contemporary. But, more significantly, there is a willingness to report on previously off-limits subjects, as well as a new openness to multiple points of view and frank on-air debate. Nonetheless, based on my close monitoring over two-and-a-half years, much anti-American programming persists.

Mikhail Gorbachev has seized on the medium of television to help persuade his people to work more energetically and, as he put it last fall, "to feel at home in society." Indeed, Mr. Gorbachev and his close adviser and propagandist chief Aleksandr N. Yakovlev clearly believe that television, the first truly mass medium in Soviet history, may be the instrument to break through the ossified deposits of bureaucratic power that this new Soviet leadership has found so resistant to change.

Yet, to accomplish these aims, television in the U.S.S.R. is going to have to be more credible and pay closer attention to what concerns viewers than it has in the past. As the Soviet leadership has said, to be effective, the official media will have to disseminate their version of news first, preempting the widespread penetration of Western radio broadcasts. Mr. Gorbachev told his fellow countrymen last fall that he is counting on a more "mature" (that is, better-in-

formed) public and much more subtle and effective news commentators and Government spokesmen.

The media dimension of "glasnost," Mr. Gorbachev's campaign for openness, applies directly to the domestic scene, where the tempo of change has been very rapid. In little more than a year, a variety of new television programs have made their debut. The most successful has been "12th Floor," a monthly series enlisting the participation of teen-agers throughout the country via remote hook-ups. Lively discussions are interspersed with a rapidly paced music-video kind of format that features quick cuts, overlapping sound tracks and loud music with a strong beat.

Last May, a group of high schoolers on "12th Floor" deplored many of the shortcomings in the educational system, to the chagrin of the Deputy Minister of Education, who was obliged to respond on camera. The students argued that most of what the official youth organization did to develop extracurricular activities was "absolutely meaningless." They asked, "why are things decided on top and not here?" and observed that they had been complaining on this score for two months and that nothing was being done.

The mood of change was dramatically captured last month in the television presentation of a newspaper article by Fyodor Burlatsky, an increasingly influential journalist. A departing regional party chief, one appointed during the Brezhnev era, was remonstrated by his successor — a Gorbachev appointee — who made it clear that the old ways would no longer be tolerated by the more efficient, honest and, most of all, responsible new officials. It was an early indication of what Mr. Gorbachev subsequently made explicit in his address to the most recent Party plenum.

The very look of Soviet television has changed, too. Portable video equipment is being distributed to foreign correspondents, helping to shorten the lead time for fast-breaking stories. Last spring, computer graphics were introduced, as was "Studio 20," a five- to seven-minute segment inserted from time to time into the nightly newscast; during it, a Moscow anchorman brings in live via remote pick-up the news division's bureau chiefs in a number of the world's capitals to discuss reaction to a significant event (such as an American nuclear test). More live programming is planned.

There is no doubt that the human

costs of the war in Afghanistan are being felt, and Soviet television has been enlisted in an attempt to convert profound concerns into patriotism. Battlefield coverage is now frequent, and last summer a prime-time satellite linkup joined a Moscow audience of families with their soldier sons in a studio in Kabul.

Disaster coverage, which had started during the Tadjik earthquake in October 1985, months before the nuclear accident at Chernobyl, is now largely routine, though it provides nowhere near the visual and verbal detail of Western coverage of similar events; sometimes an anchor will read only a brief statement. Coverage of the Chernobyl incident was an early test of the new policy in Soviet television. Although there was an initial uncertainty and hesitation in covering the event — for nearly two days after the explosion, there was silence, followed by only the sketchiest of announcements — eventually, pictures and increasingly detailed reports were carried daily.

The viewing audience in the U.S.S.R. is huge: 93 percent of the entire population of roughly 280 million spread over 11 time zones watches television; the audience for the nightly news, shown during prime time, is 150 million. The percentage of the adult population that watches the nightly news in the U.S.S.R. is more than twice the combined audience for all three broadcast networks' evening newscasts in the United States. On average, Soviet newscasts devote more than triple the air time to the United States than our network newscasts give to the U.S.S.R.

The way Americans are depicted to the Soviet viewing public is changing rapidly. In contrast to the unvaryingly negative reportage of the past, there is now evidence of a more positive thrust in certain kinds of coverage.

The more positive coverage of the United States was kicked off last fall with a report on the fast-food chain McDonald's by Vladimir Dunayev, Moscow television's Washington correspondent, a veteran television hand who often brings a fresh approach to his reportage. Not long afterward, it was announced that fast-food outlets — of Italian and Swedish origin — would open in Moscow.

These examples strongly suggest that there'll be more coverage of those features of American life that can be transplanted to help Mr. Gorbachev's policy of perestroika — the restructuring of the economy.

Modernized People of Yore

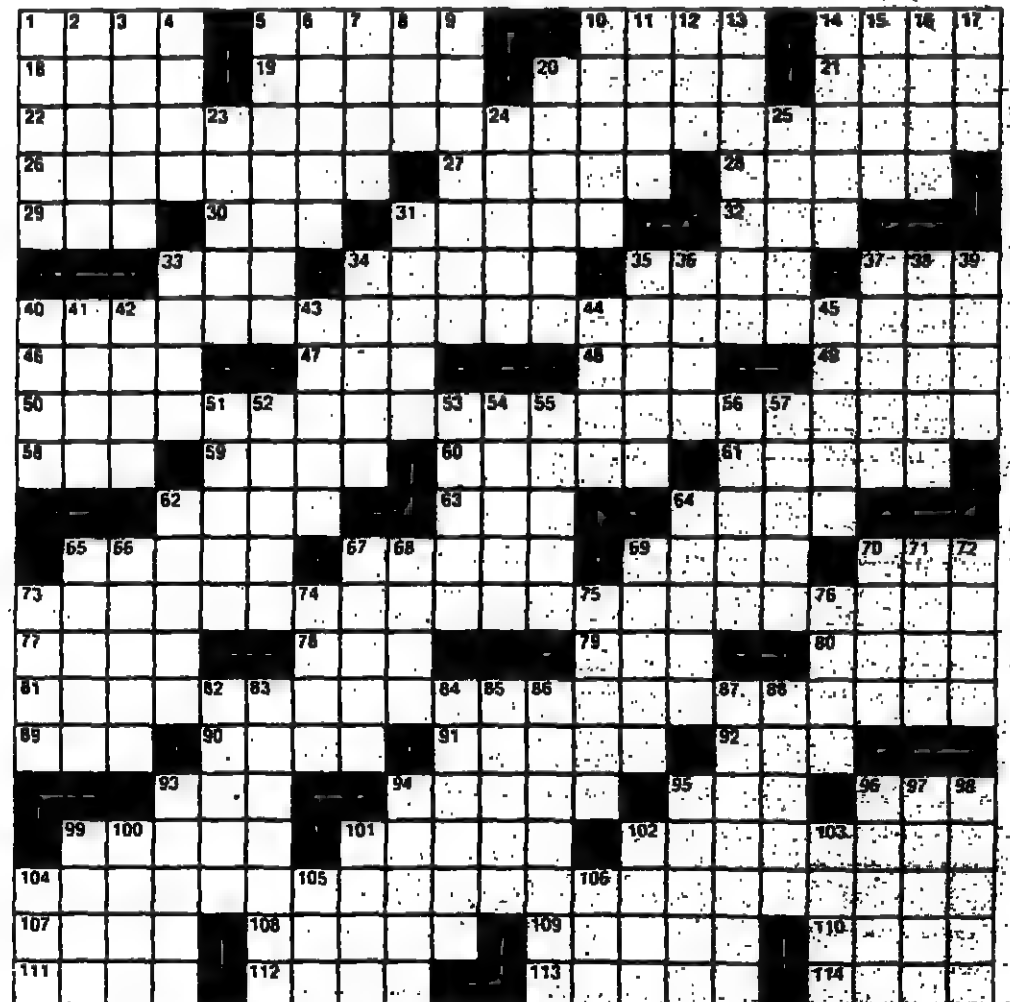
BY DOROTHY SMITONICK/Puzzles Edited by Eugene T. Maleska

ACROSS

- 1 Bog
- 5 Impassive
- 10 Comedian-actor Kuplan
- 14 Astronaut
- 18 Indigo
- 19 Like Galahad
- 20 Inlet
- 21 Brussels-based org.
- 22 Michael, Reggie, Glenda and Jesse?
- 26 On — (alert)
- 27 Parts of the Koran
- 28 Sour substances
- 29 Apt., e.g.
- 30 Prosperous periods
- 31 Pandurinas
- 32 Intl. signal adopted in 1912
- 33 Monogram of music's Duke
- 34 Calligraphy line
- 35 Bargain terms
- 37 W. S. Gilbert's "Ballads"
- 40 Actresses Eden, Rush and Bel Geddes?
- 46 Spread
- 47 Baseball abbr.
- 48 "O paria —" Verdi aria

- 49 Scary one
- 50 Robert's Hart?
- 51 W. W. II craft
- 52 Examiner
- 53 Hayworth and Moreno
- 54 Baltic people
- 55 Beethoven track
- 56 Many times, to Keats
- 57 Heap
- 58 — cuisine
- 59 Pansy
- 60 Preachers' patron saint
- 61 Erwin or Uddall
- 62 Presentations by Borge and Principal?
- 63 A son of Seth
- 64 Rel.
- 65 Quarter of four
- 66 Fleming and Hunter
- 67 Koch or Kennedy?
- 68 Afghan coin
- 69 Greeting for a villain
- 70 Analyze grammatically
- 72 Epimicron
- 73 — Alamos
- 74 — arms (soldiers)
- 75 Digs
- 76 Mention or Vichy

- 1 Andre's rank
- 2 Shallow
- 3 Prepares potatoes, in a way
- 4 Tooth wearers
- 5 Bunsbody
- 6 Sounds
- 7 Sashes
- 8 Labor org.
- 9 Be critical



- 10 Fetes
- 11 Some votes
- 12 Float on a fish line
- 13 A land mass
- 14 Those opposed
- 15 — back (relaxed)
- 16 Shoshoneans
- 17 Jan., Feb., etc.
- 20 Deprived (of)
- 23 German dive bomber
- 24 Interrupt
- 25 Twenty: Comb. form
- 31 Pravda founder
- 32 Dark
- 34 Malaysian state
- 35 U.S. tennis pro
- 36 Photocopy, for short
- 37 Give rise to
- 38 Wall hanging
- 39 Coll. degree
- 40 Emulate Earl
- 41 Anthony
- 42 Mil. unit
- 43 Kind of setter
- 44 Madame Bovary
- 45 Actor from Omaha
- 51 Muse or Dryad
- 52 Assessor
- 53 Linguist
- 54 Garland, e.g.
- 55 Perfume
- 56 Pelvic bone
- 57 Part of an ancient temple
- 62 — stop to (ends)
- 64 Porter (unc. 1929)
- 65 A believer in karma
- 66 "I like a church; I like Emerson"
- 67 Length units in Mexico
- 68 Having a share
- 69 City in Puerto Rico
- 70 Saurel or goggle
- 71 Shoe size
- 72 Sputnik's birthplace
- 73 Barkley's sobriquet
- 74 Wading bird
- 75 Palm off
- 76 Ludwig subject
- 82 Harper role
- 83 Incapacitate
- 84 Chuck product
- 85 Papal vestment
- 86 Essayist
- 87 Subrosa
- 88 In a strange way
- 89 Lamon Bay locale
- 94 U.S. slalom ace
- 95 Child: Comb. form
- 96 Pitiless
- 97 White House family: 1845-49
- 98 — of robins
- 99 Lumpy mass
- 100 Where Beauvais is
- 101 Solar disk
- 102 Govt. agents
- 103 Author Ambler
- 104 Suffix with journal
- 105 Ever, to Poe
- 106 Approval in Madrid

Ellen Mickiewicz, professor of political science at Emory University, is writing a book, "Split Signals: The Television Revolution in the Soviet Union."

In the Supreme Court sitting as the High Court of Justice before Justice Aharon Barak, Justice Shoshana Netanyahu, and Judge Ya'acov Maltz, in the matter of Yitzhak Leor and others, petitioners, versus the Film and Theatre Censorship Board, and another, respondents (H.C.141/86).

THE PRINCIPAL PETITIONER wrote a play, *Ephraim Returns to the Army*. The Censorship Board refused a licence for its performance on the grounds that the hero, Ephraim, representing the Israel Defence Forces, was portrayed as sub-human, predatory and depraved, and that the play degraded the dignity of man and was, in its entirety, "an obscene mixture of eroticism, politics and perversions of every kind." The army was represented, the respondent held, as one that shot children and assaulted suspects, and the military administration in the territories was compared with the Nazi regime.

The Board decided that, since there was no way the offensive portions of the play could be separated from the remainder, the proper course was to refuse the licence altogether. The petitioners then applied to the High Court of Justice for an order on the Censorship Board to grant the licence sought.

The first judgment of the court was given by Justice Aharon Barak. The Public Performances (Censorship) Ordinance of 1927, he said, which was based on the English Theatres Act of 1843, and under which the Censorship Board was constituted, gave it a discretion to grant or refuse a licence, but gave no indication as to the scope of that discretion. The Supreme Court, however, had already decided that, while the Board was entitled to consider the content of a play, its discretion was not absolute. Indeed, the discretion of an administrative authority, however wide, was never absolute, as had been held, *inter alia*, in H.C.742/84 (see *Jerusalem Post*, Nov. 25, 1985). It was always restricted to the purpose for which the discretion was conferred.

The language of the above ordinance, and the background to its enactment, showed that its purpose was to empower the board to prevent the staging of a play which would disturb public order. The test

was the effect of the play. "Public order" was a wide term which was not confined to the prohibition of criminal acts. It included, in the present context, the prohibition of a performance offending against the existence of the state, its democratic regime, the public peace, morality, religious sensitivity, a man's good name, the fairness of judicial proceedings, and similar factors relating to public order. The board was not an art critic. It was not concerned with the artistic value of a performance, and with whether or not it portrayed the truth.

TWO SPECIFIC questions arose, said Justice Barak: the degree of the offence against public order, and the degree of probability of the disturbance to public order that would justify the refusal of a licence. It had been held by the Supreme Court in the leading authority of *Kol Ha'am* (H.C.73/53), which dealt with the interpretation of the Press Ordinance, that questions such as these must be answered in the light of the basic freedoms accepted in every democratic regime, and set forth in the declaration of the establishment of the State. This authority had been followed consistently by the Supreme Court throughout the decades.

Justice Barak then cited other precedents of the Supreme Court dealing with the right to demonstrate, religious belief, freedom of movement, freedom to broadcast, and similar questions. He also dealt with the powers of the board under the parallel statute, the Cinematograph Films Ordinance of 1927, and referred, *inter alia*, to H.C.243/82 and Election Petition 2/84 (*Jerusalem Post*, April 24, 1983, May 31, 1985).

He also stressed freedom of expression, saying that a playwright was entitled to express what was in his heart. If, as the board held in this case, the play was disgusting in every sense, the remedy was not by exercising the force of authority, but by education and explanation. The remedy, in the words of the great American Judge Brandeis, was "more speech, not enforced silence."

THE MAINTENANCE of public order, Justice Barak said, was also one of the basic freedoms in a democratic regime. Without order there

Censors may not ban 'obscene' play

On with the show

LAW REPORT
Asher Felix Landau

was no freedom (H.C.153/83; *Jerusalem Post* August 19, 1984). Mutual tolerance, respect for individual dignity and an independent judiciary must be maintained. Democracy was not obliged to destroy itself to prove its right to exist (E.P. 2/84, *supra*).

Since freedom of expression and public order were both fundamental in our regime, Justice Barak continued, they were both to be considered in the interpretation of all legislation. If, in a particular situation, they both led in one direction, there was no difficulty.

In the present case, however, they came into frontal collision, and it was then for the court to find between them "a balance of principles." In so doing, the judge was not to give expression to his own personal and subjective opinions, but was to reflect faithfully the views of the enlightened society in which he sits (C.A. 696/81; *Jerusalem Post*, June 5, 1983). Freedom of expression meant, *inter alia*, the right to express any ideas whatever the result, while public order meant, *inter alia*, the prevention of the expression of ideas which damage society.

In connection with the censorship of films and plays, the court held that the damage that would result from performance must be tremendous and serious. Justice Brandeis once said, dealing with the scope of freedom of expression under the First Amendment of the American Constitution, "To justify the suppression of free speech there must be reasonable ground to fear that serious evil will result if free speech is practised... Even imminent danger cannot justify resort to prohibition of these functions essential to effective democracy unless the evil apprehended is relatively serious. Prohibition of free speech and assembly is a measure so stringent that it would be inappropriate as the means for averting a relatively trivial harm to society."

Justice Barak then referred to precedents of the Supreme Court in which it was held that only "a near

certainly" of a breach of public order would justify the suppression of free speech (*inter alia*, E.P.2/84, *supra*, and H.C.259/84, *Jerusalem Post*, November 20, 1984).

In regard to censorship of films and plays, the court held that the prohibition of a performance was to be "the last means, only when there was a near certainty of serious danger." If, therefore, there was a danger of violence by a section of the public, the remedy was to restrain the demonstrators, not to suppress freedom of expression. Prohibition of the performance was to be the last resort.

Turning to the function of the court in reviewing the board's decision, Justice Barak said the court had to be satisfied that a reasonable board was entitled to conclude, objectively, on the basis of the evidence before it, that there was a real, near-certain danger of a breach of the peace. The court was obliged to examine not only whether the board had adequately considered both the basic freedoms involved, but also whether it in fact gave both of them the proper weight in the circumstances. Otherwise, in the words of the American Judge McKenna, "rights declared in word might be lost in reality."

JUSTICE BARAK then examined in detail the three grounds upon which the board had relied in its decision; the false content of the play; the danger of inflaming sections of society, particularly Arab viewers, against the state, the army, and the military administration; and the deep insult to Jewish viewers, particularly victims of the Holocaust, in the comparison between the military administration and the Nazis.

He reflected all these grounds. The truth of the play, he said, was no

concern of the Board, and the other two factors did not create "a near certainty" of a disturbance of public order.

Justice Barak added that he himself, who was a child during the Holocaust, had scaled fences and crossed borders guarded by the Nazis while carrying forbidden articles, and he was deeply wounded by the comparison between a Nazi soldier arresting an Arab youth. But, as Justice Holmes had said, "Freedom of expression means tolerance towards what we hate," and the court had overruled the board in more serious circumstances. In the present case, the offending passage in regard to the Nazis appeared only a few times, and in no sense justified a derogation from freedom of expression.

Finally, Justice Barak stressed that he was dealing with the playwright's freedom of expression and was in no way concerned with the artistic merit of the play.

He accordingly proposed that the petition be allowed.

JUSTICE Shoshana Netanyahu concurred. After referring to portions of the play, she said it had properly been described as "an obscene mixture of eroticism, politics and perversions of all kinds." She also agreed that the excision of portions of the play would not change its character.

Although she also agreed with the contents of the three grounds of the board for its decision, she was of the opinion that they were not sufficient to justify the refusal of the licence. It was true that the board had also applied the test of "a near certainty" of a breach of public order, and had found this to exist. In her view, however, that conclusion was unjustified.

She did not agree, as was held by some members of the board, that the performance of the play would "inflame passions... and cause incitement and rebellion and active steps against the military administration."

Nor did she agree that there was "near certainty" that, as another member had said, "immediately, on the morrow of the performance, there will be demonstrations and violence."

There was indeed a clear "evil inclination" to incitement, and perhaps even to encourage refusal to enlist, or serve in certain areas. All this, however, was not sufficient to justify prohibiting the performance.

According to Justice Barak, Justice Netanyahu continued, the correct way to deal with the play in a democratic society was not by the force of authority, but by education and explanation. However, the theatre was also an educational medium, and the time could come when the public, and particularly the youth, might be influenced by plays such as these amidst the free competition of conceptions and ideas in a democratic society.

If the artistic climate of the play in question were to persist, it might become necessary to reconsider the test of "a near certainty" and demand a lesser degree of real and serious disturbance of public order. The more receptive the atmosphere to a message such as this play conveyed, and the more fruitful the ground for sowing incitement, the more necessary it might become to revise the test now applied. As the chairman of the board had said, "The law does not prohibit lighting a match in the street for fear of fire, but it does so if the street is full of inflammable material."

In conclusion, Justice Netanyahu questioned whether, in view of the court's decision, the censorship of plays should be continued, and whether the time had not come for the legislature to reconsider this matter.

JUDGE Ya'acov Maltz said he had no difficulty in agreeing with Justice Barak as to the precedents and legal principles to be applied in this case. His difficulty was that they left him no option but to permit the performance of the play (if it could be so described).

In regard to the play itself, Justice Barak had contented himself with saying that his approach was based entirely on the playwright's freedom of expression and not on the artistic value of the play. Judge Maltz said he did not share this delicacy of

spirit. The Board's description of the play was fully justified. One got the impression that the playwright had collected everything possible to annoy, tease and hurt, like a child shouting all the vulgar words he knows just to attract attention. This was proved by the author's willingness to cut out the reference to the disturbed German, Horst Wessel, mention of whom in the play was completely superfluous.

Judge Maltz agreed that the play would cause anguish to Holocaust survivors. He also agreed with the board that it would cause incitement and hatred in regard to the very existence of the military administration, and in its portrayal of a woman soldier having sexual relations with her commander - a feature degrading women in general, and touching on the controversy over women serving in the IDF.

All this, however, was not sufficient. He did not know exactly how "a near certainty" was measured, and where to draw the line between a near certainty and one that was not near. One thing, however, was clear: the test was severe and rigid, and allowed the prohibition of a play only where there was "a serious danger whose imminence was nearly certain." The test was objective, and he agreed that the evidence before the board did not justify a finding that that test was satisfied.

In his opinion, Judge Maltz continued, this situation was intolerable, and should be remedied. The rigid test laid down turned the censorship of plays and films into a farce, and it would be preferable to abolish it altogether. Those who wished to maintain it would have to provide the means, by laying down less rigid standards, to prohibit "a mixture" such as that now considered. On the other hand, those who believed in such a rigid test should support the abolition of censorship. That decision, however, was not in the hands of the court.

For the above reasons, the petition was allowed, and the board was ordered to grant the licence sought.

Advocates Dov Hanin, Dr. Yoram Danziger and Yehoshua Shofman appeared for the petitioners, and Advocates Zvi Terlo and Rahmani Wolfson appeared for the respondents.

Judgment given on February 5, 1987.

Attractive wallflowers

IN ANCIENT TIMES towns were walled for security reasons and so were castles, churches, cemeteries and monasteries. The walls were mostly stone, perfectly prepared by skilled masons. Sightseeing in Europe, you can see ruins of knight's castles surrounded by stone walls, many of them full of flowering wild plants or "escaped" garden plants; some are covered with evergreen creepers "grown" by nature through wind or birds and kept alive by rains and dew.

There is a trend today in gardening to avoid "dead" walls and to plant them artificially. Here is some advice on how to go about enlivening and beautifying stone walls.

DRY WALLS make ideal features in new gardens and can improve older ones. It is a pleasant job to create one when rain has stopped in late spring and plants benefit from full sunshine and warmth. If there are any doubts about the durability of structures built without mortar or concrete, one only has to look at the terraced walls in the fields around Ein Karem which have existed there and in the vicinity, in all likelihood, from Bible times.

Garden walls differ from those erected by the farmer to mark off the boundaries of his land, in that soil is used between the joints of the stones to accommodate plants.

The dry wall is best planted during construction. A foundation trench about 30-35cm. deep should be dug at the base of the wall and filled with a 10cm.-high layer of good drainage material (gravel, pebbles, broken bricks, etc.). Then add finer gravel and sand up to 5-10cm. and let it settle. Large stones are then set in the trench - flat side down. Soil mixed with well rotted compost is packed between the stones of each successive course as it is laid.

Tease out the roots of the plant or plants and position over a vertical joint. Cover the roots with more soil-mix and lay the next course of stones. Though it might seem that such a wall could scarcely sustain the plants, their roots find moisture and what nourishment they need in the cool depths between the stones.

Seeds and small bulbs may be put into the wall to create a tableau of many colours. The best way to sow seeds and small bulbs in this manner, is to mix them with a little fine, moist soil and press the mixture into the crevices.

Gardener's Corner Walter Frankl



Before planting in a wall spread a layer of soil over a course.

Rockery plants are suitable for planting in a dry wall. They could be annuals, which multiply by self-sowing, perennials, which thrive well and flower again and again, succulents, which are evergreen and store moisture in their fleshy foliage. Bulbflowers with relatively small bulbs or corms, which don't need any special care, produce beautiful flowers and propagate themselves by bulblets.

THE FOLLOWING ARE especially recommended: White and purple lobularia (*Alyssum maritimum*, "melanlot reihant" in Hebrew), *Alyssum saxatile* ("alison haslam"), "salsalei kesef tzehubim", *Ayuga reptans* (bugleweed "hadsafa sohelet"), *Iberis amara* (candytuft, "dukanat rehani"), *Muscari armeniacum* (grape hyacinth), *Polypodium vulgare* (polypodium fern, "sharav rav regel"), *Carpobrotus floribundus* (also called "mesembryanthemum", "dorotit" in Hebrew).

This last is perhaps one of the most attractive plants for decorating a wall. It is a small succulent which can be propagated by cuttings in spring or early autumn. It sprouts in all directions, producing evergreen patches which flower in pink, red or purple in spring. *Carpobrotus* is also an excellent groundcover and a very decorative, low-growing, border plant. All other succulents and small cacti, especially sedums ("Tzumi") are very useful for the wall.

Other recommended flowering plants include: light and dark blue lobelias, dwarf snapdragons, eschscholtzias, wallflowers (*Cheiranthus cheiri*, "mantur Tzahov"), *Viola odorata* (violet, "sigal"), *Tagetes patula* (dwarf marigold, "tagetes" also in Hebrew), *Silene acaulis* (catchfly, "tzipornit

hasserat givoli"), gazania (a marguerite-like flower in yellow or orange which opens in full sun), *Linaria* ("pishtant").

Suitable small bulbs or corms are: crocus, anemone, ranunculus, wild cyclamen, ixia, galanthus and freesia.

Many useful wall covers are *Linaria delicatissima* with purple flowers and creeping verberna in pinks, blues or white. *Asparagus sprengeri* and *asparagus plumosus*, as well as *Vinca major*, a dark evergreen with blue flowers in spring are good foliage plants. For full sun positions I would recommend petunias and for shade, dwarf aquilegias. There is really no limit to wall plants. Not every plant will succeed of course. You need patience and good luck.

WATERING DURING rainless periods is essential. Plants in the wall need permanent moisture, especially during their first month of growth. Use a handsprayer at the start, later a rubber hose. Be careful not to wash the plants out by too strong a stream. For better blooming you may also use foliar feedings provided by handsprayers.

About three years ago the manager of the East Jerusalem Development Company approached me to solve a problem: A wall had been constructed as a background to a fountain, but after the work was finished, even the architect himself found it boring and dead. Seeing the wall which was about eight metres long and three metres high with very small crevices, my first impression was that beautifying it would be an impossible task.

Overcoming my hesitation, I decided to make an attempt. With the help of two volunteers up on ladders, the crevices were enlarged with a paring chisel and a hammer and filled with a mixture of soil and compost, using a teaspoon. Then we planted hundreds of small seedlings, bulbs and corms and seeds, all pressed into the crevices of the wall. First waterings were with sprayers and later with a hose with a diffuser at its end. Three months later the wall was covered with foliage and multicoloured patches of flowers. Today, after about three years, the wall is still green and flowering.

If you want to see it, walk to Francine's Fountain at the end of Hutzot Hayotzer opposite Jerusalem's Old City wall. But remember - it's still winter and the wall will be at its best only in late spring.

For real

THE REAL THING by Tom Stoppard. Directed by Christopher G. Sandford. Designed by Claire Lyth. A Watermill Theatre production presented by The British Council and Habimah.

THIS IS a light, racy comedy, built on a slender but intriguing situation and lots of brilliant bubbling dialogue. Let's not pretend that it's the best of Stoppard's plays. Twelve shuttling scenes with skimpily action, puts it more in the class of a television script than a staged play. But when it comes to the smart set's randy rhetoric, to histrionic eloquence rooted in the here and now, to a way with acted words that amounts to virtuosity more than mere verbosity, it would take a lot to beat it. A crackle with wit, wisecracks and a

streetwise wisdom, it holds by sheer force of language.

WITH SOMEONE like Jeremy Irons in the leading role, its London production at the Strand Theatre in 1982 was a sophisticated affair. Here we have something much less pretentious, presented by a company of more or less provincial players. If at times shaky and over-impressioned in their acting skills, they make up for it with freshness, gaiety, good looks and a zestful style.

Henry, the hero, is a successful playwright with a yen for mod music. His latest play is all about adultery in which his real-life wife Charlotte plays the leading role. Her opposite number in the play is Max. The latter's wife, Annie, also an actress, is having an affair with Henry, which to the lovers seems to be "the real thing." So they take off together. But their bliss is haunted by Brodie, a jailed soldier whom Annie had taken under her wing at an anti-

nuclear demonstration. While in gaol, Brodie has written a bad play which Annie tries to push into production, against Henry's better judgment. The result is that she drifts into an affair with a young actor. In anguish, and to please her, Henry rewrites Brodie's script. The upshot is a return to wedded love for that, they have found, is the real thing.

THE TREATMENT of a modern marriage is done in a way that sweeps the young into sympathy. For them it is an "in" piece, expressed with poise and polish. At the same time, it antagonizes some of their elders. In the largely silver-headed audience that saw this particular performance there were many made uncomfortable, they said, by what they saw as scenes of "torrid" love. (They should go see Dario Fo!) All that means is that they found themselves faced with a frank exposure of the quirks of love as it is lived today, with none of the

fulsome, "naughty" insinuations of British bedroom comedy of their day.

The *Real Thing* definitely belongs to ours. With all the press and radio campaigning, phone-ins and cautioning about free sex, in view of the dangers of Aids, this play has a certain timeliness, in that it poses old-fashioned fidelity as the ultimate value even in modern married love.

Hardly off the plane, straight onto the Habimah stage, the actors hadn't as yet orientated completely, though they showed their paces wonderfully well in excerpts from Strindberg's classic *Miss Julie* and Ford's *Play* *She's a Whore*, a delightful Jacobean evocation absorbed into the play. With simple functional set, simple straightforward acting, this is no star-studded West End production, but then it doesn't pretend to be. It is a simple, honest example of provincial British theatre at its best, which is what it sets out to be.

NAOMI DOUDAI

Lacking

JERUSALEM Symphony Orchestra, David Shalmon, conductor, with Susan Keeler, contralto and Anthony Roden, tenor. (Jerusalem, Henry Crown Hall, February 18.) Debussy: "L'après midi d'une femme"; Stravinsky: *Symphonies of Wind Instruments* (1947 version); Mahler: "Das Lied Von Der Erde."

ALL THE composers in this programme deserved better than they received. While a great deal of attention was paid to the grand gestures of all three works - impressive crescendo passages, silences laden with meaning - the spirit was just not there. The orchestra was dull and uninspired, lacking the sheer will to get into the details of the score and make real music out of them. It was aided and abetted by the conductor.

The exception were the principal woodwind players who, if not always hitting the mark, at least played with some drive and did in fact bring out some beautiful work.

Despite a promising opening, the Debussy never got off the ground. It sounded monotonous and flat for most of its duration but then came back to close with some measure of contained energy.

The most successful part of the programme was the Stravinsky - not quite sparkling but still conveying more inner excitement than the other works. But then, of course, the strings were not present.

Then there is Mahler, who has not been well served this fortnight on the local scene. The piece opened with a flurry of activity, completely covering the tenor soloist, and then settled into a pedestrian reading. The conductor did not appear to have much time to spend on the soloists, and there were several moments when he seemed to take the alto by surprise with fluctuations of tempo. The tenor remained impossible to hear throughout the work, and the alto, whose orchestral scoring is somewhat more forgiving, sang most of her role with inflexible dynamics.

DANIEL ZIFF



A scene from *Serenade* by Balanchine to be performed by the Israel Ballet at a gala performance at the Jerusalem Theatre to celebrate the company's 20th anniversary.

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Italy leaves in a huff

Parley moves to stem dollar's fall

The Group of Five, plus Canada, make a deal: West Germany and Japan will press for growth at home while the U.S. pledges to cut its deficit.

PARIS (Reuters). — Six major industrial countries agreed yesterday on a package of economic measures to try to arrest the recent slide in the value of the dollar and alleviate dangerous imbalances in world trade.

"These measures will foster greater stability of exchange rates around current levels," U.S. Treasury secretary James Baker told a news conference after the release of a communiqué at the end of talks in which he was joined by the finance ministers of Japan, West Germany, France, Britain and Canada.

The meeting was originally planned also to include Italy, but, angry at being shut out of preliminary talks by five nations on Saturday to draft the agreement, it boycotted yesterday's meeting at the French Finance Ministry. That dealt the French hosts an embarrassing diplomatic blow.

The communiqué said the Western nations agreed to cooperate to stabilize exchange rates around present levels.

The dollar's recent fall in the foreign exchanges — it has fallen by around 40 per cent in two years — has begun to pinch the economies of other countries, particularly Japan and West Germany, whose own appreciating currencies have made their exports more expensive.

But the U.S. has until now seemed willing to let the dollar slide so as to make its exports more competitive and help to narrow its huge trade deficit. The deficit reached \$170 billion last year.

U.S. officials have said the

alternative to a weaker dollar is for countries with trade surpluses, chiefly Japan and West Germany, to stimulate demand in their economies through lower interest rates and tax cuts, so that they absorb more imports.

Yesterday's communiqué said the surplus countries had committed themselves to strengthening demand for goods in their economies. West Germany would increase tax cuts planned for 1988; Japan shaved interest rates last week.

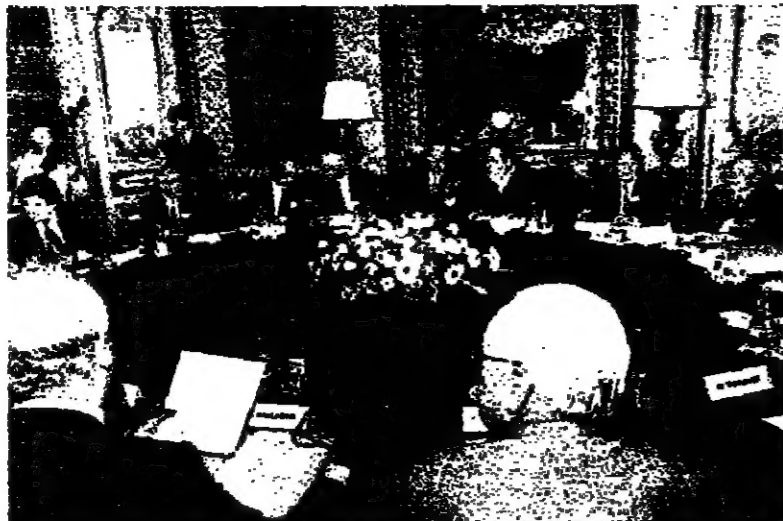
The statement said the U.S., France, Britain, West Germany, Japan and Canada agreed to intensify economic policy coordination to promote growth.

They reaffirmed concern over growing protectionist pressures and agreed that countries with trade surpluses — Japan and West Germany — would stimulate domestic demand.

The complex package, approved at a 2½ hour meeting yesterday morning, committed the West German government to propose an increase in tax cuts agreed for 1988.

It also pledged that the U.S. would trim the yawning budget deficit which it is also running to 2.3 per cent of its gross national product in 1988 from an estimated 3.9 per cent this year. Its trading partners say the budget deficit is a prime cause of the deficit on its trade.

The statement, however, made no mention of a long-standing French suggestion that reference zones should be set up to establish the ranges within which major currencies would be traded.



Delegations from the Group of 5 and Canada confer prior to the start of the monetary meeting in Paris yesterday. (AFP)

"We talked about stabilization of currencies around current levels," Karl Otto Poehl, president of the Bundesbank, the West German central bank, told Reuters.

The dollar's 40 per cent decline against other major currencies in the past two years has taken it down to just above 150 yen, 1.80 Deutschmarks and \$1.50 to the pound sterling, with the encouragement of U.S. authorities anxious to alleviate the U.S. trade deficit.

The decline was engineered in September 1985 at a meeting at New York's Plaza Hotel by the G-5. But it has now got to the point when the Japanese and West Germans have cried "stop."

Yesterday's communiqué said the exchange rate changes since the Plaza agreement would increasingly help to reduce trade imbalances and had brought the Western nations' currencies "within ranges broadly consistent with underlying economic fundamentals."

"Further substantial exchange rate shifts among their currencies could damage growth and adjustment prospects in their countries. In current circumstances, therefore, they agreed to cooperate closely to foster stability of exchange rates around current levels," the communiqué said.

The statement referred to "serious economic and political risks" posed by the large trade and current account imbalances of some countries. Dealing with these was a high priority and "the achievement of more balanced global growth should play a central role in bringing about such a reduction."

Currency dealers have been saying that only concerted central bank intervention in the markets by the major nations, including the U.S., can be relied on to persuade people to stop selling dollars as long as the U.S. is running a large trade deficit.

said the agenda was expected to include reported over-production by some Opec states. World oil demand declined in March and June and the possibility of some members acting as "swing producers" to balance group production.

The talks follow a decline in prices last week after they received an initial boost in the wake of Opec's agreement in December to cut group output by a further 7.25 per cent and to revert to fixed prices based on \$18 a barrel.

THE OVERHEATED ECONOMY of China cooled down last year to a more healthy pace but high wage increases and inefficiency in state

firms had caused a budget deficit, China's State Statistical Bureau reported Friday.

Officials said the economy had stabilized, with industrial growth cut to just over 9 per cent, from a runaway 18 per cent in 1985.

JAPAN SLASHED INTEREST RATES to try to halt the rise of the yen on Friday, but economists doubted the cut would be enough to convince currency speculators or the U.S. the dollar should fall no further.

They said the half-point reduction in Japan's key interest rate would do little or nothing to boost the country's economy.

Fraud squad likely to investigate Guinness PLC's dubious dealings

By DAVID HOROVITZ

Jerusalem Post Correspondent

LONDON. — The British government is expected this week to ask the fraud squad to launch an investigation into Guinness PLC's takeover of the Distillers group last year. This follows months of investigative work by the Department of Trade into alleged criminal offences committed by Guinness, in the Distiller's acquisition, including the artificial boosting of its own share prices.

Conservative MP Sir Alex Fletcher said last week that the police should be called in because there was considerable evidence that share prices had been manipulated fraudulently and that "money was misused in other ways."

A police source said the fraud squad investigation could be "one of the most sensitive and dramatic operations ever, ranging far wider than the Distillers takeover." He added that the probe could "lead to the charging of senior City officials with criminal offences involving hundreds of millions of pounds."

The likely decision to turn to the police comes in the wake of two lengthy meetings between Department of Trade investigators and Sir Jack Lyons, a prominent City businessman who has admitted receiving a \$3 million consultancy payment from Guinness and who was also British adviser to Bain and Co., Guinness' management consultants. That \$3m. was but a small part of a

multi-million dollar fund set up by former Guinness chief executive Ernest Saunders in the course of the hotly-contested Distillers takeover, which was paid out in fees to businessmen who bought large blocks of Guinness shares and helped keep share prices high.

Heron group's Gerald Ronson received a \$9m. fee from this fund and has since repaid it.

According to City insiders, Lyons' meetings with the inspectors provided them with vital information concerning the share dealings and convinced them that the fraud squad was required because of the likelihood that criminal offences had been committed.

According to a report in last week's *Independent* newspaper, Lyons may also have been guilty of illegal dealings last year in the shares of a small British public company,

buying with the benefit of unpublished information. Government investigators were reportedly consulted about suspected insider dealing at the company. Grosvenor Group, last September, but did not launch an investigation for lack of evidence.

The *Independent* reported that it had discovered new evidence that Lyons, while privy to details of boardroom discussions at Grosvenor, bought shares in the company on several occasions, thus illegally benefiting from inside information.

These new charges against Lyons, and the re-emergence of "Guinnessgate" into the headlines, are likely to strengthen the view held by a group in the Jewish community here that some sort of campaign is being carried out against prominent Jewish City businessmen.

Apart from the reports concerning Saunders, Ronson and Lyons, Burton Group boss Sir Ralph Halpern's extra-marital sexual exploits were recently splashed all over the papers days before he presented a controversial bonus-sharing scheme to his shareholders.

City insiders dismiss the suggestion of an anti-Semitic campaign as "ridiculous," however, pointing out that "the stakes are simply much higher in the City since Big Bang, the watchdogs are more alert, and anyone who has been dealing illegally can expect to see his name in the papers sooner or later."

Microprocessor maestro

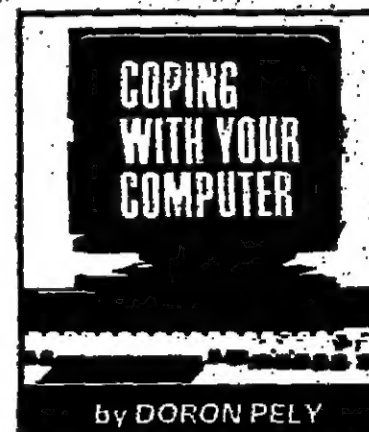
Home computers are not just income-tax number crunchers or word processors. They can also play music, store it and let you compose your own tunes.

There are two ways to play a tune on a regular home computer. Almost every model comes equipped with a speaker and a basic sound chip (electronic circuit). Using the available commands that exist in some versions of Basic, you can send instructions to the sound chip and produce sequences of rudimentary musical tunes.

The second, more complex, way to turn a computer into a music machine is by hooking it up with external musical instruments. In this capacity, the computer becomes a sophisticated recording tool and editing facility. The tunes you create are stored in the computer's memory so you can change, transfer and replay them much like with a page of written text on a word processor.

The key term in computer music terminology is *Midi* (Musical Instrument Digital Interface). *Midi* is the standard communication interface between computers and synthesizers, just like the RS232 that connects between computers and printers. Without *Midi*, computers and electronic musical instruments would not understand each other.

Almost all modern home computers contain a *Midi* interface or can be easily equipped with one. Atari ST and Spectrum 128 have a built-in *Midi*. Where it is not supplied by the



by DORON PELY

manufacturer, an expansion slot in the rear of the computer is used to install one.

A synthesizer is the best musical instrument for recording, composing and playing music on a computer. Indeed, the synthesizer itself is a specialized computer. Specialized at editions, such as *Musique System* by Raibord or *Wanam* — The Music Box, will let you compose music on the computer's monitor screen. You can write music in three voices on regular bass and treble staves, control the tempo, note accent, bar accent and any other aspect of music composition.

If you're serious about making music on your home computer, you should become acquainted with samplers and drum machines. A sampler records sounds from an external source into the computer via a micro-

processor. The recorded sound is stored in the computer's memory to be played back at will. Sampling uses a lot of computer memory space, but with creative editing it can add special effects to the music.

Digital drum machines create realistic effects such as cow bells and bongos, to name a few. Adding drum effects can spell the difference between boring and exciting music.

Samplers and drum machines are available for almost every make of home computer. A sampler for the Commodore costs NIS 179; Spectra drum software for Spectrum computer cost NIS 140.

Most computer stores do little business in music programmes for home computers. The cost required to produce quality computer music can be prohibitive if you add up the synthesizer, sampler, drum machine, programmes and recording equipment. If you'd like to know more about the subject and explore the potential of your computer, the best place to inquire is the Bug computer program and literature store in Jerusalem. Daniel Baum, the store's salesman, is a computer music buff, and his knowledge on the subject is extensive.

OFFICES. — The Herta Municipality has decided to buy the Zion Hotel, situated near the Town Hall building, and concentrate all its overflow offices in the building. Mayor Arye Oren said last week.

WORLD BUSINESS IN BRIEF

U.S. consumer spending posts record plunge

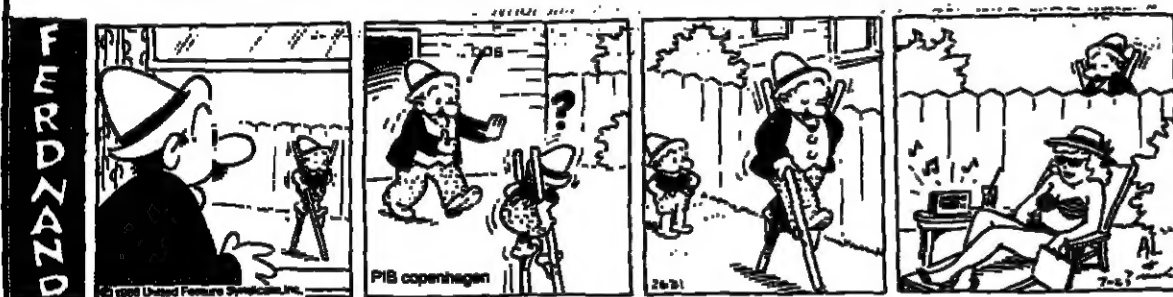
WASHINGTON (Reuters). — U.S. consumer spending fell a record 2 per cent in January, the government reported Friday, casting doubt on prospects for economic expansion this year.

The decline was the biggest in more than a quarter century, since a 1.9 per cent fall in May 1960, Commerce Department officials said. It added that personal income stayed virtually unchanged in January from December.

Economists said the spending figures, which pointed to weaker consumer demand that could hurt future economic growth.

OIL MINISTERS from the powerful Gulf Arab group in Opec opened talks yesterday on the world oil market amid signs of trouble with the organization's latest agreement to boost prices.

Gulf-based oil industry sources



CROSSWORD

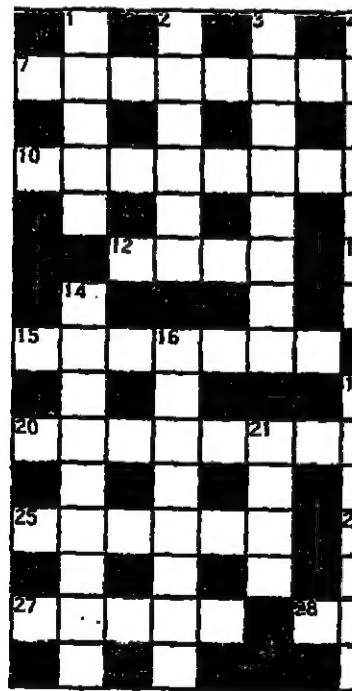
ACROSS

- 7 Blue-blonded taxi-drivers? (3,2,4)
- 8 Insist on getting payment absolutely right (5)
- 10 A stiff programme of events of course (4,4)
- 11 He rings in about work for an occasional visitor to our shores (6)
- 12 Run of the mill currency (4)
- 13 The people of a country about to bring back a system of signs (8)
- 15 One might well expect them to stick to seaside rock (7)
- 17 Narrow opening filled by an art form bathed in soft light (7)

- 20 Artistic genius who invented an older sort of cipher (8)
- 22 Calf-love will increase the demand for it (4)
- 23 Lots of tall chimneys (6)
- 24 Go off and become a cynic, perhaps (4,4)
- 27 Inevitable victim of anarchy or Red revolution (5)
- 28 The consequences of trouble at the farm? (8)

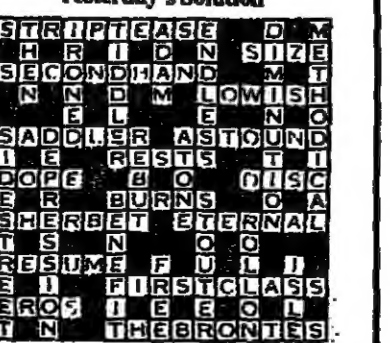
DOWN

- 1 A Pole bringing 22 round for sale (5)
- 2 Scott heroine putting up a novel alternative (6)
- 3 Tell-tale weapon! (8)



- 4 It avoids controversy yet gets badly annoyed (7)
- 5 Retired railwayman who sends abroad for money (8)
- 6 A harvest raised on poor soil for a famous old citadel (9)
- 8 A little fellow who makes clever remarks about hydrogen (4)
- 14 Gloomy god giving a church incumbent shelter and board? (9)
- 16 Dad, taken into custody, lost his cool! (8)
- 18 SF author taken in by a sailor who runs a hostelry (8)
- 19 The first man to propound the Catholic faith (7)
- 21 Rings in about Miss Aylmer? (4)
- 23 Put on a ship with a returning native of Australia (6)
- 24 Doesn't stay on level terms (5)

Yesterday's Solution



- ACROSS: 1 Hair, 3 Terminal, 9 Secret, 10 Except, 11 Era, 13 Reprobate, 14 Repine, 16 Verity, 18 Practical, 20 End, 22 Inspire, 23 Throw, 25 Delegate, 26 Stay, DOWN: 1 Haste, 2 Ire, 4 Exempt, 5 Microbe, 6 Narrative, 7 Lottery, 8 Star, 12 Appraisal, 14 Replied, 15 Nothing, 17 Accept, 19 Late, 21 Dowdy, 24 Rot.

QUICK CROSSWORD

ACROSS

- 1 From end to end of
- 4 Aromatic herb
- 10 Humility
- 11 Passenger ship
- 12 Precipitous
- 13 Burdensome
- 15 Bone of forearm
- 17 First-rate
- 19 Brawl
- 22 Assert
- 25 Stupid
- 27 Unenjoyable task
- 29 Mar
- 31 Apart
- 32 Muffler

DOWN

- 2 Shell
- 3 Quack remedy
- 5 Bsect
- 6 Rainy season
- 7 Divert
- 8 Power-cable support
- 9 Iron
- 14 Ful
- 16 Thin
- 18 Disastrous
- 20 Autopilot
- 21 Intermittent
- 23 Poetry
- 24 Joyful
- 26 Lured
- 28 External

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MARKET PLACE

IAIN PEARLS

A lot of bull

Share values in New York, Tokyo and London have been soaring to new and dizzying heights.

Brokers predict the bull market will rage for a while longer, despite expert forecasts of, at best, only modest global economic expansion.

Analysts say investors have accumulated large sums that need a profitable home. Meanwhile, U.S. economic performance seems somewhat improved. Britain, too, looks better than it has for years.

In New York, the Dow Jones slid 8.84 points on Friday to 2,335.25; it was well under 2,000 at the start of the year. In London, on Friday, the Financial Times index of 100 stocks was up 26.5 points at closing to 1956.56, close to record levels, while Tokyo's Nikkei Average was at 20,080.39, down 147.7 points but still way ahead on the week after a 346.33 surge the day before.

Share prices are also firming in Paris. Frankfurt continues to buck the trend — prices have been easing there as investors worry about the impact of a weak dollar and an appreciating Deutschmark on export-driven West German corporations.

Leading the Wall Street rally are shares of U.S. companies likely to gain as the weaker dollar cheapens U.S. goods on world markets. The dollar has dropped from 2.02 marks and 163 yen in mid-December to around 1.54 and 154.3 now.

Wall Street "rose last year on lower oil prices and now seems to be assuming some sort of profits rebound due to greater competitiveness from the lower dollar," says Bob Semple at British brokerage Wood Mackenzie.

Although a correction is expected, Peter Elades, editor of the U.S. newsletter *Stockmarket Cycles*, sees further gains. "I would not be amazed to see [the Dow] close to 3,000 by the end of the year," he observes.

Puzzling, however, is why the Tokyo market is booming and not following Frankfurt down, especially since a weak dollar and an appreciating yen are pinching Japan's export-led economy.

"If the United States is more competitive, Japan is less," explains Semple.

London brokerage James Capel, in a current guide to investment strategy, concludes: "If there is one driving force behind the [Tokyo] market, it is liquidity."

Low interest rates are making bonds less attractive to Japanese investors, who are flush with proceeds from a record \$56 billion 1986 trade surplus.

A heavy mix of liquidity and low interest rates is fueling the stock boom worldwide, brokers say.

Japanese and West German money is also flowing to Wall Street. Meanwhile the huge, recycled pool of money printed to pay for Opec oil during the 1970s price shocks is still swirling through the world financial system, looking for a home.

"There is an abundance of liquidity around. Investors don't really know where to put it but they are refusing to place it in the bonds and credit market," says Eric Blain of Paris broker Ferri, Ferri, Germain.

Jean-Marc Blanc of brokerage Jean-Pierre Pinatton agrees: "There is a lot of cash on the market and given the lack of movement on rates on the bond markets, investors see there is not much to gain here and are going into shares."

Highly publicized sell-offs of state enterprises like the Paribas banking group are also hurting people to the French stock market. "People who have never played the Bourse before are buying Paribas," Blanc notes.

Privatizations have had the same impact in Tokyo, where there has been feverish buying of just-floated shares in Nippon Telegraph and Telephone (NTT), and particularly in Daiichi.

(Continued from Page One)

Meanwhile, knowledgeable sources estimated that over 60 percent of the Diaspora leaders gathered in Jerusalem favor Dulzin's immediate resignation, while a minority want to extend the scope of the clean-up operation to encompass much broader reaches of the Jewish Agency establishment.

Some observers said last night that if the dispute was not resolved the partnership between the WZO and the Diaspora community leaders would break up.

The anti-Dulzin camp recently commissioned a report by Tel Aviv University's Dan Caspi, entitled "The Bank Leumi Affair: Attitudes of the Israeli Press."

The report's analysis claims that the Israeli press regarded the Dulzin-Jewish Colonial Trust connection as part and parcel of the Japhet-Leumigat scandal and that as a result the good name of the Jewish Agency had been compromised.

One hundred copies of the report were printed, and they were delivered by hand to selected leaders. A copy yesterday reached *The Jerusalem Post*. Apparently, institutional funds were not used to pay for the report.

Dulzin is known to have spent the last few days in hectic efforts to round up support from the Israeli members of the Jewish Agency, who represent the World Zionist Organization on a party basis. He is apparently confident that he has succeeded in this endeavor.

"The Zionists are all with me, from all the parties," he said. "Shimon Peres phoned me on Friday to express support."

Rabin tells Histadrut

Up to 3,000 jobs in defence must go

By JOSHUA BRILLIANT
RAMAT EFAL. — Defence Minister Yitzhak Rabin got a chilly reception from Histadrut leaders yesterday when he told them some 2,000 to 3,000 workers in defence-related industries would have to be fired this year.

Rabin went to the Histadrut's Central Committee yesterday morning to explain his reasons and seek their support.

At the closed meeting, whose proceedings were summarized in a Histadrut press release, and in an evening lecture here, Rabin explained that each of the past two years the Defence Ministry had received \$600 million less than it had expected and that he foresaw the same thing happening next year. The defence establishment could not possibly maintain the level of operations it had in previous years.

In the past two years, the size of the IDF in terms of manpower and units had been cut, and the army had reached a point from which it "must not descend," Rabin told the Histadrut leaders.

On the other hand, he contended that Israel's defence sector, including both the state-owned and private sectors, was too big for the country. The industry suffered from a high level of disguised unemployment, he contended.

At the Histadrut meeting, and again at the lecture here, he noted that the budgetary constraints had led to a drop in domestic defence orders. As a result, only 20 per cent of the Israel Military Industries output was sold locally; the remainder was exported. Sixty per cent of Israel Aircraft Industries sales were exported, he noted.

Task Force to form export alliances

By KEN SCHACHTER
The Operation Independence Task Force approved a plan yesterday to forge export partnerships between Israeli and North American companies in the housewares, hardware, fashion, steel products and computer software fields.

At a meeting in Jerusalem, the group's 15-member international steering committee adopted the proposal to create export alliances outlined in a paper by Alan Wurtzel, the organization's chief operating officer in North America.

Operation Independence is comprised of business and government leaders and its aim is to develop Israel's export potential and lessen its dependence on foreign aid.

The export alliance plan is modelled after a trail-blazing food marketing company called I Am Importing. That firm was formed by U.S. entrepreneur Murray Lender and 10 Israeli food producers. Lender is known in the U.S. as the founder of Lender's Bagels, which he sold to the Kraft conglomerate.

The steering committee also adopted a proposal to send middle-level Israeli executives to U.S. companies for periods ranging from six to 12 months as a means of gaining exporting experience, said Ehud Gera, the organization's chief operating officer in Israel. The executives' salaries would be shared by their Israeli employers and the U.S. firms.

The programme's second phase would bring retired U.S. executives here to assist Israeli companies in marketing and international trade.

Gera said several Israeli chief executive officers have voiced support for the plan, including Dov Lerman, president of the Manufacturers' Association and head of Delta Galil Industries Ltd.

The task force, formed two years ago, also has created an international investment company, Isam, and is forming a financial institution to attract foreign investors to small and medium-sized Israeli companies.

This, he maintained, was an unhealthy situation. In the world arms market, competition was intense and "sensitive political problems" were involved, he said. He did not mention specific countries but noted that "not all the countries interested in buying equipment from us are sympathetic in the international arena."

Furthermore, he said, "most defence industries lose money. They export just to retain the markets... We have lost tens of millions of dollars."

But Histadrut leaders balked at Rabin's conclusion that Israel must reduce the size of the defence industries.

Arye Yavin, the secretary of the civilian workers committees in the IDF, proposed that the government use unemployment funds to finance continued production and stockpile products. Another Central Committee member, Gerson Vilan of Mapam, suggested the government subsidize military exports.

Histadrut Secretary-General Yisrael Kessar pledged the labour federation's support to increase productivity, transfer workers from one job to another and take other measures to make sure work is available.

But later, expressing the consent in the central committee, Kessar stressed there was no room for further cuts in security.

An aide to Kessar questioned later said he did not believe the Histadrut would take any action if cuts are introduced. However, Central Committee member Shalom Havush, who also represents the Military Industry's works committee, told Rabin that the union would not permit even one worker to be laid off this year.

Up, up, up

Electricity rates going up 6%

By AVI TREMKIN
Electricity rates will be going up 6 per cent retroactive to February 1 under an order signed by Finance Minister Moshe Nissim yesterday.

Although Energy Minister Moshe Shabai had signed the measure several days earlier, Nissim delayed attaching his name to the order. Sources said the finance minister did not want to be seen approving a rate hike so close to the announcement that Electric Corp. workers were receiving bonuses of NIS 1,700 each.

The Electric Corp. had originally sought an 8 per cent rate hike, following a 20 per cent increase in the price of fuel it buys. The Treasury, however, would only consent to a smaller rise.

Government confirms 7% price hike for automobiles

By JONATHAN KARP
For The Jerusalem Post

The Inter-Ministerial Committee on Prices has decided to keep its original recommendation for a 7 per cent price increase for cars with 1600 cubic centimetre engines and smaller, a Transport Ministry official said yesterday.

The same recommendation, made after last month's 10 per cent devaluation, prompted car importers to petition the High Court of Justice to force the government to raise prices by even more. But after reviewing all the documents supplied by the importers, Transport Minister Haim Corfu signed the last month's proposal according to Roud.

Roud said he did not expect dealers to begin selling cars at the new prices until tomorrow or Wednesday. He added that certain administrative problems, involving customer complaints against dealers who refuse to sell over the last month, still needed to be ironed out.

Europe air fares boosted 6%

Prices for scheduled flights to Europe will go up only 6 per cent on April 1, a Transport Ministry spokesman said Friday.

The Panel of Scheduled Airlines had requested a 12 per cent increase, but following a meeting Friday with Civil Aviation Administration head Shai Shohami, the airline representatives agreed to the ministry's decision. The 6 per cent price hike, the first since April 1984, applies as well to El Al.

In addition to the price increase, the ministry decided that starting April 1, customers will be able to pay the \$10 airport tax when they purchase their ticket rather than at the check-in counter at the airport. This change should lead to faster and easier service, the spokesperson said.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	121.54 +0.47%
Non-Bank Index	146.72 +1.17%
Arrangement	105.23 -0.10%
Insurance	130.46 -0.02%
Commercial Services	136.37 -0.50%
Real Estate	136.94 +0.70%
Industrials	148.04 +1.57%
Textiles	135.32 +1.00%
Metals	134.92 +0.49%
Electronics	152.80 -0.02%
Chemicals	146.25 +0.05%
Industrial Invest.	178.02 +3.03%
Investment Cos.	168.17 +1.09%
General Bond Index	109.71 -0.12%
Index-linked Bonds	110.28 -0.23%
Fully-linked	111.36 -0.12%
Partially-linked	108.53 -0.41%
Dollar-linked Bonds	105.41 +0.58%
Short-term 0-2 yrs	107.54 -0.36%
Long-term 2-5 yrs	108.72 -0.08%
Long-term 5+ yrs	111.27 +0.24%

Turnovers:

Shares - total	NIS 30,494,500
Arrangement	NIS 5,587,200
Non-bank	NIS 23,912,300
Bonds - total	NIS 6,954,300
Dollar-linked	NIS 4,377,300
Dollar-linked	NIS 2,581,200
Treasury Bills	NIS 2,772,200

Share Movements:

Advances	182	(112)
of which 5% +	44	(22)
"buyers only"	103	(164)
Declines	19	(20)
of which 5% +	19	(20)
"sellers only"	105	(117)
Unchanged	32	(29)

Bond Market Trends:

Index-linked:	Mixed to 1%
3% fully-linked	Mixed to 1%

4.25% fully-linked

80% linked	Mixed to 2.5%
Double-linked:	Stable/falls to 1%
Dollar-linked:	Stable/falls to 2%
Admon	Rises to 0.5%
Rimon	Rises to 2%
Gilboa	Slightly rises
For Curr.	Stable
denominated	Stable
Treasury Bills	25-32.30%
(annual yield)	

Arrangement yields:

IDB ord.	17.84%
Union 0.1	17.84%
Discount A	17.88%
Mizrahi	17.88%
Hadassah	17.88%
General A	17.87%
Leumi stock	17.87%
Fin. Trade 1	17.74%

SELECTED PRICE QUOTATIONS

Name Price Volume % 1000NIS change

Commercial Banks	
(not part of "arrangement")	
Bank Leumi	1749 -
General non-arr.	24799 560 -9.5
First Int'l	5080 2501 +1.2
FBI	6481 3123 +0.0

Commercial Banks	
(part of "arrangement")	
IDB	88570 1241 -0.1
Union 0.1	56970 398 -0.1
Discount	113110 425 -0.1
Mizrahi	36460 1205 -0.1
Depository	80210 3301 -1.1
General A	153880 94 -0.1
Leumi 0.1	38255 4857 -0.1
Fin. Trade	50850 2 -

Mortgage Banks	
Leumi Mort. r	10770 118 -1.0
Dev. Mort.	4462 1105 -0.4
Mishkan	4880 2769 -3.0
Tefahot r	23851 217 -
Merav r	9200 272 +1.1

Financial Institutions	
Agro C	no trading
Ind. Dev. DD	no trading
Cial Leasing 0.1	27500 68 +5.4

Insurance	
Ararat 0.1 r	1720 928 -0.4
Hasehah r	410 33614 -2.5
Phoenix 0.1	1140 8510 -2.4
7405 313 -	
2829 233 -	
Hemlehimar	7770 1615 +1.2
Menorah 1	11250 31 +0.6

Trade & Services

Mair Ezra	no trading
Supersol 2	11860 1450 -2.0
Delek r	5700 9701 +3.0
Lighthouse	20000 77 +0.5
Cold Storage	1059 3416 -3.7
Dan Hotels	1602 918 -10.0
Yarden Hotel	2901 190 -
Hilon 1	no trading
Team 1	1030 5457 +0.5

Real Estate, Building and

Agriculture	
Azorim	1145 12955 +0.4
Eilon	517 20886 -3.8
Africa Agr. 0.1	53610 238 -
Danrion	6880 591 +1.5
Prop. & Bldg.	5570 2285 +2.6
Bayvise 0.1	7350 1288 -
ILDC r	85600 223 +0.2

Industrials	
Dubek b	6880 2895 +2.8
Priz-21	no trading
Sunburst	16900 521 -
Elite	24450 2189 -3.4
Adgar	875 6580 -1.0
Argaman r	16100 121 +1.3
Delta 0.1	4380 2854 -1.8
Maquetta 1	4910 1496 +3.8
Eagle 1	28900 185 -
Polgar	4700 536 -1.6
Schoeller	16701 1067 +10.0
Rogovin	3300 1135 -0.3
Urdan 0.1 r	8680 432 +2.1
Is. Can. Co. 1	4500 4518 +2.0
Zion Cables	2700 1025 +5.5
Pecken Steel	23800 129 +2.8
Elbit	612500 29 -

Elron no trading

Avi	31200 152 -5.5
Cial Electronics	2650 4075 -2.6
Spectronix 1	3080 2875 -0.3
T.A.T. 1	1720 500 +1.2
Ackstein 1	1340 5679 -
Agan 5	21300 1198 +0.7
Alliance	2310 348 +0.4
Dexter	3200 74 +8.3
Fertilisers	5100 130 -
Teva r	977 79748 +14.8
Devel Sea r	12859 2571 -0.6
Patrochem	4040 23012 +5.2
Neca Chem.	668 18391 -1.0
Frutarom	7675 505 -
Hadassah Paper	16770 110 -
Central Trade	46400 188 -
Hapofim r	13050 953 +5.2
Koor p	12003000 4 +9.0
Cial Inds.	3180 11726 +1.9

Investment Companies

IDB Dev. r	8190 3343 +1.3
Wolfsam 1 r	5616 3615 +0.3
Alfik 1	359 15433 -
Gehalet	1581 300 +4.0
Israel Corp. 1	19850 1300 -
Wolfsam 1 r	13680 3 -
Hapofim Inv.	12039 872 -
Discount Invest.	5800 7782 -
Mizrahi Invest.	32700 100 +4.5
1800 20548 +1.7	
Lendec 0.1	2570 100 -
Pama 0.1	11700 191 -4.9

Oil Exploration

Paz Oil Expl.	30570 203 +0.4
J.O.E.L.	5500 1190 -

Abbreviations:

a.o. sellers only	b bearer
b.o. buyers only	r registered

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Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	20.2	10.25.50%	11.25.00%	15.30.50%
HAPOLIM	13.2	10.24.00%	11.24.50%	15.27.00%
DISCOUNT	17.12	7.16.00%	8.16.20%	14.18.50%
MIZRAHI	1.12	8.17%	8.17.50%	6.19.50%
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PATAH — FOREIGN CURRENCY DEPOSIT RATES (February 20)

MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.750	5.750	5.750
STG (10,000 pounds)	8.875	8.625	8.625
DMK (100,000 marks)	3.125	3.125	3.250
SFR (50,000 francs)	2.250	2.250	2.625
YEN (3,000,000 yen)	2.750	2.625	2.625

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ADMINISTRATION The Jerusalem Post Building, Jerusalem P.O. Box 81
(91000) Telephone 551616, Telex 20121, Fax 551670. TEL AVIV 9 Rehov Caribach,
POB 20126 (91001) Telephone 55222, 58231-6 (six lines) Fax 203528. HAIFA 16 Rehov
Noydau, Hadar Haamim, POB 3100 (31047) Telephone 645444 Fax 645446. Published
daily, except Saturdays, in Jerusalem, Israel by The Palestine Post Ltd. Printed by The
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Assad's back yard

SYRIAN President Hafez Assad is probably not enchanted by the need to station 10,000 of his troops in Beirut. Though Syria continues to have designs on Lebanon, Assad has preferred to exercise power over his neighbour by indirect means. In any case, the 25,000 to 30,000 Syrian troops already stationed in northern and eastern Lebanon gave him ample physical leverage whenever that was needed to further Syrian aims.

But the endemic strife in Beirut, mutilated as it is by some 40 contending militias, last week punctured the tolerance threshold even of the long-suffering Lebanese. Thus Nabih Berri of the Shi'ite Amal and Walid Jumblatt, the Druse leader, whose forces had just squared off in some vicious street battles, joined Prime Minister Rashid Karami in turning to Damascus.

That they did not bother to solicit the agreement of President Amin Jemayel, who happened to be in Europe, might seem irregular to outsiders. But in Beirut, as distinct from foreign capitals, Jemayel's measure is calibrated by his real weight rather than by the trappings of his office.

Though he represents only a faction even in the Christian community, his opposition to inviting Syrian tanks to roll into Beirut, no doubt reflects the wider Christian sentiment.

And joining them in the disquiet over a massive Syrian presence are the Palestinians of the Arafat persuasion - since Mr. Arafat is rather high on Assad's hit list - and the Hizbullah in Beirut who are loath to have anyone tell them that social order is preferable to the chaos in which they thrive.

Whether in fact even 10,000 Syrian troops can restore order in Beirut remains an open question. For the animosities and suspicions between the warring parties will not disappear. Nor will the organized militias be willing to divest themselves of their weapons, as the Syrians propose. For the major militias are not simply armed bands; they are the shields of the ethnic groups whom they represent.

Even when Lebanon enjoyed the existence of central government of sorts, the society was still a composite of armed ethnic and geographic enclaves. Syrian occupation is certainly not a substitute for a central power that can rule by consensus and claim monopoly on the uses of violence, as is the case in normal countries.

All such a presence can signify is an effort to keep the lid on an inherently explosive social and political condition for which a real solution is not in sight.

For Assad himself, his prestige at home and in the Arab world, this is a huge gamble, though he had little choice. By dint of his huge influence in Lebanon, he could not easily stand aside as the turmoil worsened. For that too would have registered as a defeat.

To the degree that he can restore some peace and quiet, at least for a time, in Beirut, Israel's interest too will probably be well served. For the rampages of the various partisan bands, making anarchy the rule, inevitably affects what happens in the south.

There will, of course, be a felt need for greater surveillance of Syrian troop dispersal, now that they will command positions only a few hours from the eastern sections of the northern border. However, if the choice is between a Lebanon whose anarchy reaches the environs of Israel's northern frontier and a Lebanon with a Syrian accountability system, then the latter is preferable, for as long as it manages to prevail.

ASSAD

(Continued from Page One)

is also trying to abort the Palestinian build-up, by naval blockade and occasional air assault on PLO strongholds. It seems a Sisyphean labour. Meanwhile, PLO power in southern Lebanon grows, advancing by fits and starts backwards, to the status quo ante bellum 1982.

A third major development that seems to bring Israel back to pre-1982 is the sporadic Shi'ite - mostly Hizbullah - assault on the security zone and the Israeli-backed South Lebanese Army. So long as Israel occupied the areas of southern Lebanon north of the zone (1982-85), the zone appeared secure. Since the June 1985 IDF withdrawal, the zone has come under constant attack, and it and the SLA appear to be more embattled than ever before.

It seems that the Amal assaults on the PLO for the time being have kept the Palestinian gunmen too busy to think about strikes into Galilee. But

PLO resurgence will inevitably lead to a return of the gunmen and the Katyushas to the Galilee border.

It is too early to tell whether the 85th Brigade will now join Amal in trying to subdue the Palestinian strongholds, or whether Syria, unwilling to alienate its "own" PLO rebel forces or its new-found Phalangist friends, will play honest broker and try to play a mediating, protecting role in Beirut and perhaps Sidon.

Whatever the case, with the return of Syria to Beirut, the clock has come full circle back to 1982. With the commensurate accretion of Syrian influence and power, the various Lebanese factions can be expected to have even less truck with Israel than formerly. If there is one thing every Lebanese seems instinctively to know, it is on which side his bread is buttered - at least from today to tomorrow. And today and tomorrow in Beirut appear to be increasingly Syrian.

SYRIANS

(Continued from Page One)

But in Baghdad, the PLO Executive Committee issued a statement saying Syria's intervention was illegal.

Kanaan told reporters the Syrian force would eventually enter the refugee camps. But he would not say if Syrian troops would move into Beirut's mainly Shi'ite southern suburbs, a stronghold for Moslem militants believed to hold foreign hostages.

"God willing, we will remove everyone's ordeal. We are here to remove the people's ordeal," he said, voicing optimism for 26 foreigners missing in Lebanon, nine of them seized this year.

Syria's intervention was requested by Prime Minister Rashid Karami and other Moslem leaders, but denounced by President Amin

Jemayel, who was not consulted. Christian Lebanese forces militia leader Samir Ja'ja, a severe critic of Syrian influence in Lebanon, said the intervention would lead to more violence.

The Syrian unit was drawn mainly from a 25,000-man Syrian garrison in East and North Lebanon.

Syria agreed to send the troops after talks in Damascus with Lebanese Moslem officials and the leaders of the two biggest warring militias, Druse chief Walid Jumblatt and Shi'ite leader Nabih Berri.

Jumblatt told a press conference in Damascus yesterday that he was ready to hand over to Syria all weapons belonging to his forces.

He said "the most important thing is that my alliance with Damascus should not be damaged."

Unhealthy government

Ram Ishai

THE HEALTH services are in a chronic crisis: strikes are constantly declared, the minister of health meets time and again with the minister of finance and the acting prime minister and they all try to prevent the next coming crisis by issuing reassuring announcements in the hope of gaining peace for another few weeks or days.

Nowadays, the argument is about the insufficient funds allotted to the Ministry of Health which will lead to cuts in personnel. Only a few months ago the government signed an agreement with the nurses whereby the medical personnel were to be increased in order to surmount the failing nursing system.

Without considerably increasing the number of nurses and doctors, it is extremely difficult for the medical personnel to give appropriate treatment to patients in hospital wards, emergency-rooms, and out-patient clinics while at the same time continuing to work night-shifts and week-ends, not to mention the operation of day-hospitals in order to decrease the number of full hospitalizations.

The entire health system is understaffed, survival is on a day-to-day basis, and no long-range planning exists. Nevertheless, the Finance Ministry demands that cuts be made in the number of personnel in government hospitals for the simple reason that the Treasury has no money available.

The current economic policy is to cut government expenditure for the way to achieve economic recovery is to reduce government involvement in the services given to the citizen. Where the health services are concerned, this is a must, for in the long run it can only be a blessing to the public which has come to depend so much on government institutions.

It is well-known that government hospitals function under worse conditions than do other public hospitals. The struggle waged by the medical and administrative personnel in these hospitals is only a symptom of such conditions. Despite their demand for equalization of working conditions with their colleagues in Kapat Holim hospitals, the real difference between government and Kapat Holim hospitals lies in the physical conditions which allow Kapat Holim hospitals to give better service.

The general feeling of dissatisfaction with government hospitals prevails not only among doctors, it has become a general feeling in the community. People do not complain about the standard of medicine but rather the quality of services and deteriorating physical conditions.

It would be an over-simplification to blame all the ills solely on lack of funds. A closer examination reveals that many of the faults are the outcome of the general administrative structure of the hospitals and their lack of independence. Government institutions depend upon a central administration which tends to kill all initiative and hampers development. It is common practice for a hospital director to be powerless to make any moves of his own, as he needs to concentrate all his efforts on fighting the central bureaucracy of the Ministry of Health in order to receive the elements he thinks necessary for his hospital. Such struggles are not necessarily for extra funds, they may be over allocation of man-power or changes in standards regardless of the specific needs of the individual hospital.

THE HOSPITAL as well as any other government institution is an integral part of the government system and thus has to abide by the rigid rules set by it. The severity of this subordination and its limitations are striking in the Health Ministry which has a lower prestige than other government offices. Instead of enjoying first priority, this ministry is usually over-shadowed and has little power to demand greater financial resources. This sad state of affairs was the main hindrance to developing the health services in past years.

Several years ago it was decided to introduce the regionalization of hospital treatment whereby every citizen who needed hospitalization was referred to the hospital closest to his home, regardless of whether it was a public, government, or Hadasa hospital. The aim was good and sensible as it was intended to eliminate duplications and lack of coordination in the same region.

But immediately it met with great difficulties because of the differences between hospitals in their standards of physical conditions and quality of services. Many patients were not willing to give up a Kapat Holim hospital which are generally newer and better equipped, for a smaller government hospital. In some cases, people moved house in order to avoid going to a government hospital.

This situation has now worsened, especially since television news started showing pictures of sick people lying on unmade beds waiting for their family to come and bring them food, pyjamas and even supplies needed for their treatment.

THE ANSWER to this pitiful state of affairs is immediate and drastic change in the government hospital system. The services cannot be improved unless these institutions stop being owned and operated by the government. It was suggested long ago that the solution involved setting-up an autonomous structure which will assure the hospital's daily operation independent of directives from the government administration.

Such a step would introduce the possibility of raising money for individual hospitals and include non-government, factors in ownership, financing and management. The experience so far of obtaining donations by means of trustee foundations has not been a success, and it opened the door to "black medicine" by accustoming the public to "donate willingly" in order to express gratitude and support.

The present structure prevents autonomy and liberty of action, which makes it difficult for the director and his staff to act in the best interests of the hospital. Each hospital should be an independent unit, run and supervised by a board of directors, whose aim will be the best interest of the patient within the limits of the budget.

They will establish long- and short-term plans, seek the cooperation of other public factors in the community and elsewhere, and will look for ways of raising more money. Thus, the Health Ministry will be discharged of a very heavy load and will better fulfil its main aims - those of planning, training and supervising.

Hospital management will be free within budget limits, to act according to demand and supply whether in medical manpower or the hiring of personnel, in expenditure priorities and in the daily management of the hospital. Along with the changes in the management, motivation will increase among medical and administrative personnel, they will work harder as they will be better paid and more satisfied. A good management can enhance the work force, develop local pride and achieve the aim of better services by competing with other hospitals.

Turning government hospitals into independent units will also bring about the establishment of a parent-organization for these hospitals. This will assure regionalization under better conditions, higher standards and improve by far the health services the citizen is entitled to.

The writer is head of the Israel Medical Association.

In defence of Miller

Aryeh Supperstein

I AM ANOTHER Jew from Colorado Springs. I grew up there, and know Shoshana Miller and Rabbi Kline. Having lived in that town for 20 years and then moving here nine years ago, I understand Miller's struggle as few others could.

It is not easy being Jewish in Colorado Springs. We are so few. It isn't easy being a Jew here either. We are constantly categorizing each other.

Colorado Springs is a city of 250,000 people including 300 Jewish families. My parents must buy kosher meat from the only Jewish butcher in the state, 160 kilometres away in Denver. He packs the meat in ice and sends it on buses for the hour-and-a-half drive to our home.

My brother and I were the only Jews in the high school. Our synagogue had no rabbi for the first 18 years of my life. Often we couldn't get a minyan on Shabbat. Eventually the Reform temple and the Conservative synagogue agreed to merge into a viable unit. As a united community, the Jews of Colorado Springs were able to hire a rabbi, to build classrooms, and to have minyanim regularly. The merger was not easy, however.

The most difficult decision was the selection of a rabbi. We needed a man who could be a leader without being dogmatic. He had to be flexible and sensitive but not spineless. He had to be scholarly but not pompous. He had to organize the Sunday school and create an adult education programme. We wanted a rabbi who could unite diverse group of Jews into a working community.

We chose David Kline. He studied in yeshivot but hung a Reform diploma on his wall. He spoke Hebrew and had lived in Israel for a time. It was not his credentials that set him above the other candidates, however, but his love for Judaism. He enjoyed being a Jew.

People from the community come to talk. Books and stories are debated. Amos Oz, the Israeli writer, visits frequently. People in David Kline's home are too involved in special Shabbat activities to worry if a desk can be moved or a glass rinsed. He wouldn't dream of crying muktze, "Forbidden!" Instead he teaches the goals of the faith. "Do not do unto others..." the rest is commentary.

political group, she would have done so without any spiritual meaning whatsoever and would have undermined her own integrity in the process.

We saw a second display of her integrity when she decided to leave the country. She could easily have stayed one more month to pick up her I.D. card and to put the final nail in Peretz's political coffin. Her lawyer wanted her to stay. The Reform movement wanted her to stay. If she was a political animal or test case, she would have stayed. However, she is a real human being who could not honestly accept citizenship in a place where she no longer wanted to remain. This is the real issue of the story. What drove her away?

What has Israel become when it does not welcome all Jews? Why is it front page news when an Israeli rabbi suggests that all streams of Judaism have legitimacy? The Supreme Court seemed to discover this fact a month ago. We in Colorado Springs discovered it 10 years ago.

If we don't pull together, we pull apart! The Torah charted it centuries ago, demanding *Ahavat Yisrael* and *Klal Yisrael*. The totality of the Jewish people is a prerequisite for Torah realization. How is it, the very rabbis who are supposedly leading us in the ways of Torah are the last ones to understand its true intent?

Eventually she realized that Colorado Springs is a poor place to lead a full Jewish life. The social scene is non-existent and Jewish scholars are few. The source, she thought, was Israel. So, she came here.

SHE WAS NOT completely unaware of the difficulties she would face. Certain "acceptable" rabbis in Colorado would have put their names on her conversion documents. An understanding exists within the profession. Miller, however, really loved Rabbi Kline's conception of Judaism and wanted his signature on her papers.

It is her sincerity that made Peretz's attack against her so loathsome. Her commitment to Judaism was a true one. If she had undergone a second "procedure" to please a

political group, she would have done so without any spiritual meaning whatsoever and would have undermined her own integrity in the process.

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Dry Bones



READERS' LETTERS

THE WINDS OF CHANGE IN SOUTH AFRICA

To the Editor of The Jerusalem Post Sir, - Having travelled to South Africa many times over the past years, I realised that social and economic integration of the races, at least in the cities, had advanced dramatically from the time when I knew South Africa as a young man.

The South African government itself has been getting rid of apartheid for the last 12 years or so, beginning with sports and "petty apartheid," and recently getting rid of unfair legislation, such as that against intermarriage. The present worldwide anti-apartheid campaign has slowed down this process, which seemed to me to have been going in the right direction.

Those who know South Africa must realise that every new boycott or economic sanctions, weakening the forces of law and order, will lead to so many more lives lost. This is especially true among the black tribes themselves, as extremists, those out for revenge and thugs fill the vacuum.

If this anti-apartheid campaign

(which is proving very successful indeed) had begun 20 years ago, it would have had my sympathies. As it is, it took advantage of a time when the situation was improving for black and white. My sympathies are with Mr. Botha, who, I believe, when he talks about keeping law and order, is trying to save innocent lives. In my opinion, the winds of change are slow and subtle by nature, and forcing them creates hurricanes of destruction.

We have a good example across our own northern border of what happens when law and order break down. Extremists, terrorists and power politicians have a field day, and the people who get hurt, as always, are the weak and defenceless.

Why any reasoning person should want to encourage such a situation is beyond me. I hope we don't join in this campaign, which is - inevitably - strengthening the hands of murderers of defenceless civilians.

MICHAEL PORTER
Tel Aviv.

THE SHOHEI PSHARA CONFERENCE

To the Editor of The Jerusalem Post Sir, - In her report of January 11 on Shohei Pshara's conference, Lea Levavi claims that Rabbi Ezra Bazri "likened Antelman's efforts to those of the rabbis of Reform and Conservative Judaism and that if Antelman is really an Orthodox rabbi, he should submit his arguments to the rabbinate for scrutiny."

I introduced Rabbi Bazri to Rabbi Antelman and was present during all the public and private discussions and I never heard the remark made in this way. Further, I escorted Rabbi Bazri to and from his transportation. In a private conversation, where Rabbi Markovitz, Rabbi Antelman, Rabbi Bazri and I were the only ones present, Rabbi Bazri did suggest that Rabbi Antelman submit his material for study, but

never did he say this publicly. I also possess a recording of all the proceedings of the conference which bears out this fact. Neither did Rabbi Bazri ever compare him with the Conservative or Reform religions.

Since I am acquainted with Rabbi Ezra Bazri almost as well as I am with Rabbi Antelman, I can assure both The Post and its readers that Rabbi Bazri has never and will never attack Rabbi Antelman publicly.

KUZIEL MEIR
Shohei Pshara National Committee
Jerusalem.

Lea Levavi comments: Two months after the event, it is hard to backtrack and figure out why I attributed to a speaker something he did not say. I can only say the error was not deliberate.

AMBASSADOR TO U.S.

To the Editor of The Jerusalem Post Sir, - As an American Jewish communal leader (winding up another visit to Israel), I was disappointed to read that one of the candidates for envoy to Washington is Mr. Gad Ya'acobi.

An Israeli ambassador is accredited not only to the host country's government, but also to its Jewish community. While Mr. Ya'acobi is a distinguished economist, his credentials as a potential diplomat are questionable. His command of English is virtually nil - a far cry from the brilliant articulateness of Abba Eban.

Another factor is Mr. Ya'acobi's record on two issues which, my Orthodox friends tell me, make him totally unacceptable to the Orthodox Jewish community in the U.S.

Though the Orthodox are a numerical minority, no concerted and effective pro-Israel action can be taken without their full support. Those two issues are Mr. Ya'acobi's opposition to the grounding of El Al on the Sabbath and his active backing of the Sabbath flea market in a kibbutz.

While Mr. Ya'acobi (like myself) has the full right to disagree with the Orthodox on the Sabbath observance issue, it is clear that he should be given a job other than ambassador to the U.S.

SAM FELDMAN,
Greater St. Louis Zionist Council
St. Louis, Missouri.

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